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Daily Report
Latin America

FBIS-LAT-93-216 *10 November 1993*

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Cuba

Castro Comments on Career Shifts, Defections

FL0911154693 Havana Tele Rebelde Network in Spanish 2150 GMT 7 Nov 93

[Comments by President Fidel Castro; Abel Prieto, president of the National Cuban Writers and Artists Union; Manuel de Jesus Limonta Real, director of the Center for Biological Research; and an unidentified delegate at the Havana Communist Party of Cuba Assessment Meeting in the Havana Convention Center on 7 November—recorded]

[Text] [Unidentified delegate] Today, the U.S. biotechnological industry is a wasteful industry. It grows through the help of the multinational pharmaceuticals corporations, something we do not have. In other words, the extrapolation of business schemes is dangerous. So we are obliged to be very creative in this sense. I believe the response is, or begins—since I am far from having the solution to the problem—with the concept that we need to achieve self-financing of the biotechological system as a system; not as units, but as a system.

The fact of having a 'evel of national integration and self-financing should release no one from the responsibility of answering for what he or she does and for the results of what he or she does. We should not lose the opportunity to launch joint operations, because integration is not only a problem of awareness; we need an awareness of integration but we need to implement it [passage indistinct] and for the party organizations in the science and technology centers. It refers to the competition and pressure that the research centers are starting to feel from the emigration of cadres to other sectors: specifically, tourism, joint enterprises, and certain corporations. This competition was not felt in the past, was almost nonexistent. Nevertheless, because of the special period, it has become a problem: the favorable working conditions, in the economic sense, that some researchers see in these sectors. It is not an alarming problem or one of great magnitude, but it is a problem the party must take care of.

I am sure that our most brilliant and dedicated scientists do not feel this temptation. However, a research center does not operate with brilliant scientists alone. It needs plumbers, electricians, glass workers; it even needs scientists who might not be top-ranking scientists, yet whose work helps complete products. This is something that has been felt and it is a challenge for our research centers and, I believe, for the party organizations as well. Here we need to follow a proper policy of attention to the workers and an adequate policy of stimulation and ideological work united with labor unions and management to prevent this from becoming a problem.

[Castro] Give us some examples of workers who escaped to tourism.

[Unidentified delegate] One particular case: There is a strong demand on cybernetics engineers.

[Castro] Where do they want to take them?

[Unidentified delegate] Some have already gone to work in hotels.

[Castro] It is good that we discuss this here. Because I believe we should no• leave it to chance that these individuals go to work in that sector. I believe we need to combat the pirating of scientists. We must say to the tourism organizations present here today, to National Institute of Tourism [Intur], Cubanacan, Gaviota, or to whomever, that to participate in an act of pirating [passage indistinct].

[Unidentified delegate] [Passage indistinct] training time in the sciences is very valuable. Sometimes, replacing a person who knows how to do two or three things is a difficult task. But we must also work with the workers, because there are cases in which, when we talked to the corporations to which they want to move and they have responded positively, there is then a conflict when the worker says that if he does not go to that company, he will go to a different one. The work has to be done, as you said, with the cooperation of the tourism organizations and the corporations; but there should also be adequate work on our part; otherwise, the worker becomes disgruntled. This is a problem that could become a danger and I am glad that you, Commander, see it that way because these are our main wealth. Equipment can break, buildings can fall apart; but as long as we have brains and trained people there is a future, a possibility that science and technology will play a decisive role in Cuba.

[Castro] What did they go to do at the hotel?

[Unidentified delegate] To program computer systems—a job I think will cause professional frustration because that is a task that takes months. These types of things could be resolved by our specialized organizations as a generalized service, without the need of resorting to that. Deep down, the problem is an incorrect attitude on the part of those who want to find a place where the work is easier. In other words, the research centers feel pressured.

[Castro] That is the fad: Many people want to go to the corporations. Many good people, scientists, slackers, scoundrels, and also every relative.

Limonta? Is Limonta [Manuel de Jesus Limonta Real] around here? How many people from genetic engineering have gone to hotels?

[Limonta] Esteemed Commander, comrades, luckily none. Nor have they stayed abroad. [applause] Last year....

[Castro, interrupting] Not everyone has the same care about the people they send abroad. Not everyone has the

same spirit. Not everyone has the same sense of responsibility. Here we have universities and other entities sending and moving people around—and some stay abroad. What you have said does not cease to be a true record in this time and period. One could not praise more highly the quality of the people that you have working there.

[Limonta] Excuse me, Commander. I can say that in 1992, 166 comrades from the center traveled abroad and none of them stayed. In 1991, 130 traveled abroad and none of them stayed. This year, 112 comrades have traveled abroad and none of them has stayed.

[Castro] And we are in the special period. And surrounded by a hostility, propaganda, and a formidable stimulation for defection. We must do a good job. Sometimes we send some simpleton, or friends, for some subjective reason. Others go abroad to spend the special period—a three-year grant. There are some around. In all areas, not only in the scientific field. I would say [passage indistinct] that there are more people spending the special period abroad. Is that right, Abel [Prieto]? [crowd laughs]

[Prieto] In the artistic sector, 5,000 people travel annually, some with their families. In statistical terms, there have been defections, as there have been in other sectors. I do not think statistical terms explain this sort of thing. Sometimes a less important person, or ten less important people, stay; when people of greater importance stay, this carries greater weight. In cultural terms, we cannot apply statistics. I continue to believe, and I have said this on several occasions, that the defections in the cultural sector and the people who are living abroad during the special period are a minority that does not represent the revolutionary force or the unity around the Revolution, which are the roots of the Cuban intellectual movement.

This is something I perceived in assemblies in all provinces of the country and in Havana City, assemblies where people attended massively. People travel by personal invitation, where the fare and lodging are paid for, and their families are invited on many occasions. We have had an open policy in coordination with the party and other institutions. They are offered all types of things. I am sure scientists receive all types of offers.

I believe this phenomenon—of course, I believe this is not the place or time to include a detailed analysis of this problem and its effects—but I did not want the assembly to believe, and I know you brought it up with that intent, that there is a massive exodus or migration or that the people are escaping through all possible means. There has been a trend, which has grown in the last few years. There is an old trend that is part of the culture, from Alejo Carpentier to Nicolas Guillen and Wilfredo Lamb; it is an old trend in culture that forms part of the internationalization of the cultural field. It is an old tendency in Cuban culture that has surely grown with the special period.

I believe that, in statistical as well as qualitative terms, this cannot result in a generalization of the artistic and literary sector. I believe that the image presented a while ago when Alicia, Ruben, and I spoke about this, including Eusebio, is not a demagogic image nor is it an effort to avoid an in-depth discussion of a problem. I would like someday to discuss this issue in depth, to discuss thoroughly the reasons some people leave, and who. For example, many people with no source of employment leave.

A scientist travels, but he has a high moral incentive. He is a savior of the land, a man involved in important moral work. His labor has great moral support. At times we lose certain actors who today are in Venezuela, other artists somewhere else, a sculptor who left with his family—somebody who had not had a commission in two years. At times, there are people who leave because we have not given them enough attention; we have not provided sources of employment. There are people who feel useless. There are people who have not had a commission in two years. This is the reason I mentioned the soap opera production house, not because I like soaps so much but because I believe it is a source of income for Cuba, a source of employment, and a way to tell people about this fatherland and nation. Our commitment cannot be seen in abstract terms. Our commitment has to be seen in connection with everyday people and their work.

The other day I was telling a reporter that if you send someone to Marianao.... [pause] You can lose someone either by his leaving to Venezuela to wait out the special period or by sending him home to Marianao without work to face the daily struggle of the special period. His job becomes meaningless; this makes him feel useless and he feels that society does not value his creation.

I would like to discuss this in depth on another occasion. I believe this is not the time; but since you have alluded to this with the most constructive of intentions, I would also like to explain.

[Castro] I believe your explanation is quite apropos and I wanted to remind you that I have supported, along with you, the idea of this opening to give every possibility and facility for those who want to work abroad because I believe it is the most correct and intelligent policy we can conduct, for precisely the reasons you mentioned. We do not have materials, facilities, or work for many of these people. This is true. It is also true that there is great pressure upon intellectuals to make them stay abroad. Many times, in order to get a job, a political declaration is demanded of them. They are not welcome unless they renounce the Revolution. Otherwise, they are not given jobs. There is pressure on them and also on scientists. We are experiencing very difficult moments where less hardy people are capable of incurring some of these indignities, such as renouncing the fatherland and the Revolution, in order to get a job. [applause]

I think your explanation was good. You are right about my intentions. I only wanted to tease you.

[Prieto] But you do not know the weight your joke can carry and its consequences for my work. [laughter, applause]

[Castro] I am very glad if it serves to stimulate the self-respect and sense of honor of Cuban intellectuals. [applause]

Castro Meets With Basque Government Officials

FL0611022693 Havana Radio Rebelde Network in Spanish 1800 GMT 5 Nov 93

[Text] Fidel Castro Ruz, president of the Councils of State and Ministers, met with Rosa Diez Gonzalez, minister of the Department of Trade, Consumption, and Tourism of the Basque Government, at the Palace of the Revolution. The fraternal meeting allowed for an ample exchange on various topics of bilateral interest. Minister Diez was accompanied by Mrs. (Salisa Gonzalez), deputy minister of trade and consumption; (Maria Cobesti), director of foreign trade promotions; (Mage Saez), a government official; and (Manuel Aguirre), assistant to the ministers.

Carlos Lage, secretary of the Council of Ministers' Executive Committee; Foreign Trade Minister Ricardo Cabrisas; and Abraham Maciques, president of the organizing committee of the International Fair of Havana; were also present during the meeting.

Robaina Departs for Trip Through Caribbean

FL0911201993 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Nov 93

[Text] Foreign Minister Roberto Robaina Gonzalez has departed on a work trip to seven Caribbean countries. He is presently en route to Venezuela and Guyana. Moments before his departure he had the following words for Radio Rebelde reporter Roberto Cavada.

[Begin recording] [Robaina] Since we all have been called to conduct foreign policy, the ministry cannot limit itself to political exchanges alone. We have to see in what measure such an important economic and negotiations process is also part of our foreign policy. I believe that the ministry is seeking to join the effort that, in the economic arena, has to be done in Cuba and abroad to find solutions to the situation we are experiencing. This will be, of course, also a priority effort in our integration into the Caribbean just as the Cuba-Caribbean Community committee is about to be created. Of course, political exchanges will play an important role as well as that economic exchange with all those investors and businessmen interested in cementing ties with Cuba.

[Cavada] What about Venezuela? It looks like a obligatory stop on this trip.

[Robaina] Yes, Venezuela is an obligatory stop. Cuba cannot afford the luxury of stopping in a country wihout taking advantage of that stay. Those few hours will be used to fulfill a busy agenda prepared jointly with the Venezuelan Foreign Ministry. There will be a meeting with the president of Venezuela, talks with the Foreign Ministry, and meeting with all our Cuban workers in Venezuela.

[Cavada] There is speculation that on the return trip to Havana, there might be a stop in Colombia, in light of the reestablishment of ties.

[Robaina] We are not talking of a stop as such. There are plans to visit Colombia in the next few days in light of the reestablishment of ties, particularly in the first days of December. [end recording]

Robaina will visit Guyana, Trinidad and Tobago, Barbados, San Vincent, St. Lucia, Jamaica, and other Caribbean islands.

Meets With Venezuelan President

FL0911163093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Nov 93

[Text] Cuban Foreign Minister Roberto Robaina, who arrived in Caracas today, has met with Venezuelan President Ramon Velasquez, with whom Robaina discussed the situations of Cuba and Venezuela, the recent approval at the United Nations of a resolution condemning the economic blockade of Cuba, and the matter of integrating Cuba into Latin America.

Robaina was met at the airport in the Venezuelan capital by Foreign Minister Fernando Ochoa Antich, with whom he has also had a meeting. Tomorrow [9 November], he will meet with representatives of the Latin American Economic System.

The Cuban foreign minister will leave on Wednesday [10 November] for Guyana, the first stop of a tour of seven Caribbean countries. After Robaina finishes his visit to Venezuela, he will visit Guyana, Trinidad and Tobago, Barbados, St. Lucia, St. Vincent, Jamaica, and the Bahamas. In all these countries, he is scheduled to meet with the head of government and the foreign minister, businessmen, and friendship-with-Cuba groups. A majority of Caricom [Caribbean Community] member governments has expressed the need to intensify economic cooperation with our country, and when the Association of Caribbean Nations [Asociacion de Estados Caribenos] is formed next year, Cuba is to be on its list of 38 members.

So, can one speak of a rapprochement with Caricom?

[Begin Robaina recording] Yes, it is undoubtedly an important rapprochement. In this case, with Caricom. I would say, however, that the Foreign Ministry's political activity at this time lies in finding economic spaces and [holding] important talks in this domain, talks that might provide a way out of the difficult situation the

nation is experiencing. I think that in the particular case of that area, we would call this a rapprochement with Caricom; and I would even say that, as important as that rapprochement with Caricom is the extent to which our nation reciprocates for the very praiseworthy stance these islands took when people tried to pressure them as to whether to trade with us. We think that we must respond positively to that [words indistinct] Venezuela. [end recording]

This is the first tour through the Caribbean by a Cuban foreign minister.

This has been about Cuba's rapprochement with Caricom, a rapprochement among very close neighbors.

Says Return to OAS Not 'Priority'

PA0911180393 Hamburg DPA in Spanish 1709 GMT 9 Nov 93

[Text] Caracas, 9 Nov (DPA)—The return to the OAS does not represent a priority for Cuba, it was stated today in Caracas by Foreign Minister Roberto Robaina, who begins tomorrow a tour through several English-speaking Caribbean nations.

During a technical stopover, shortly before leaving for Guyana on Wednesday, Robaina met with high-ranking Latin American Economic System (SELA) officials and told a local newspaper that Havana's return to the OAS does not depend on the Cubans, "because we were expelled from the organization."

The Cuban foreign minister arrived yesterday in Caracas for an unofficial visit. He was met at the airport by his Venezuelan counterpart, Fernando Ochoa Antich, and he met with President Ramon J. Velasquez at Miraflores Palace (government headquarters).

The young head of Cuban diplomacy met today with SELA Assistant Secretary Noel Sinclair, with whom he exchanged views on a recent SELA Latin American Council.

During the meeting Robaina and Sinclair endorsed SELA's appeal to organizations like ALADI [Latin American Integration Association] and ECLA [Economic Commission for Latin America] for a 1994 summit of officials in charge of the Latin American countries' commercial policies. They will analyze international commerce tendencies and their impact on regional ties and exchange.

The foreign minister of Fidel Castro's government emphasized the importance given by Havana to regional integration. "This is the right time to strengthen relations between Latin American countries and Caribbean Common Market (Caricom) nations," it was stated by Robaina, who will begin tomorrow the first visit by a Cuban foreign minister to Caribbean English-speaking nations.

The foreign minister arrived in Caracas following an official visit to Mexico, where he held meetings at the highest level.

Eastern Army DAAFAR Holds PCC Assembly

FL0911173093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Nov 93

[Text] There is no alternative but victory. This was once again proved at the assembly of the the Communist Party of Cuba [PCC] membership held within the Eastern Army's DAAFAR [Antiaircraft Defense and Revolutionary Air Force]. Upon discussing their main report, the participants exhibited proof of political maturity, so necessary in the current times. The enemy can hardly underestimate a group known to be the best unit of its kind throughout the Armed Forces. It is they who attained the evaluation of "good" in the missile troops target shooting preliminaries.

At the DAAFAR PCC assembly, the younger people made their presence felt. They announced that theirs is the best unit doing UJC [Union of Young Communists] work in the Eastern Army. A profound spirit of critique and self-critique prevailed. They talked about everything—from the need to drive [words indistinct] activity with a view to self-sufficiency to the way the level of cohesion in training and exercises has stabilized. Our pilots continue to fly, and radioelectronics troops remain on guard. Combat resources are attended to by a group that is strong within the movement of innovators and efficiency experts.

Through PCC Central Committee member Brigadier General Ruben Martinez Puente, the PCC members of the DAAFAR of the Eastern Army conveyed to the FAR [Revolutionary Armed Forces] minister and to our commander in chief their willingness to (?continue) being the faithful guardians of our achievements.

Drug Trafficking Trial Concludes, Sentences Pending

FL1011025893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Nov 93

[Text] The trial of a group of Cuban and foreign citizens for drug trafficking concluded today in Havana City's provincial court. The court tried Colombian citizen Sandra Cecilia Palomino, German citizen Junger Peter Abedrot, and Cuban citizens Ines Maria Perez, Juan Figueroa Garcia, and Jose Isabel Fondont.

According to statements by the prosecution and evidence presented in the case, the group began operating in Cuba in 1991. From Colombia, the drugs were introduced into Cuba in suitcases. The drugs were later delivered to the home of the Cuban defendants, who would subsequently deliver them to the German citizen, Junger Peter Adebrot. Adebrot would then take the drugs to Germany. Cuba was used by the group as a ramp for drug trafficking and smuggling. This trial was possible

after Sandra Cecilia Palomino was arrested upon her arrival in Varadero from Colombia on 11 April 1993 with a cargo of 8.3 kilograms of cocaine.

During the trial, the prosecution asked the court to hand down the following sentences: for Abedrot, 15 years imprisonment for drug trafficking and three years for smuggling; for Palomino, the same sentence; for Cuban citizen Juan Thomas Figueroa, 20 years imprisonment; Ines Maria Perez, 15 years; and for Jose Isabel Fondont, 10 years.

Within the next few days, the defendants will be sentenced by the Havana City provincial court.

Alpha 66 Confirms Threats Against Tourists

PA0911162393 Paris AFP in Spanish 1041 GMT 8 Nov 93

[Text] Madrid, 8 Nov (AFP)—According to reports published on Monday by the Spanish newspaper "EL PAIS", Andres Nazario Sargen, head of the paramilitary anti-Castro group Alpha 66 confirmed recent threats to kidnap foreigners who are in Cuba beginning 27 November.

Nazario Sargen acknowledged that the kidnappings carried out by the group "constitute a terrorist action," but "vehemently denied that Alpha 66 can be charged as such." In addition, Alpha 66 "cannot be accused in Miami of what occurs in Cuba."

According to Nazario, one of the 66 Cuban exiles who founded the organization in 1961, current membership totals approximately 6,000 members in the United States, as well as a network of 45,000 "collaborators" in the interior of the country. [sentence as received]

The Alpha 66 chief stated that for the past 20 years, they have also had "underground cells" that are "now preparing for an irregular struggle" by staging attacks against tourism centers, government enterprises, and sugar plantations.

Spanish travel agencies fear that some of their clients who had been planning to spend the Christmas holiday in Cuba will now decide not to travel.

Matanzas Plant 'Renovation' To Take 27 Days

FL0911163793 Havana Radio Progreso Network in Spanish 1200 GMT 9 Nov 93

[Text] The Antonio Guiteras Thermoelectric Plant in Matanzas, the nation's most efficient power plant and the one that most contributes to the national system, will begin undergoing maintenance on 28 November. The renovation will take approximately 27 days, after which the uninterrupted generation of electricity by this plant will be guaranteed.

Specialists To Give Dengue Fever Training

FL0911163393 Havana Radio Progreso Network in Spanish 1200 GMT 9 Nov 93

[Text] GRANMA reports that Cuban specialists have arrived in Costa Rica to give training courses to teach people to fight dengue fever. The morning paper LA REPUBLICA, one of San Jose's most influential dailies, highlights the presence of the Cuban doctors and stresses that our country is the Latin American nation with the greatest experience in fighting this epidemic.

Inter-Caribbean Affairs

Caribbean Leaders Hope To Diversify Agribusiness

FL0911192993 Bridgetown CANA in English 1725 GMT 9 Nov 93

[Text] Bridgetown, Barbados, 9 Nov, CANA—A roundtable on Organisation of Eastern Caribbean States (OECS) diversification takes place December 1 during the Miami Conference on the Caribbean, according to Caribbean/Latin America Action [C/LAA].

C/LAA, organisers of the annual conference, said leaders will meet in the half-day special roundtable workshop, to discuss "agricultural diversification strategies for the Eastern Caribbean to offset the potential of eventual declines in the banana revenues".

C/LAA said the meeting "will target opportunities in high volume fresh fruit and specialty processed food products into Europe and the United States."

The intra-regional tourist trade will also be examined.

Barbadian businessman Phillip Goddard of Goddard Enterprises, and managing director of the Eastern Caribbean Group of companies, Ken Boyea, will address the session, to be opened by the secretary general of the Organisation of Eastern Caribbean States, Dr. Vaughn Lewis.

Decision makers from key donor agencies such as the European Community and the World Bank, will also participate in the workshop.

The Miami conference, to be held November 28 to December 2, has served as the leading international forum for new policy directions and business development in the Caribbean Basin for over a decade.

Grenada

Coast Guard Arrests Six in Cocaine Interdiction

FL0911190493 Bridgetown CANA in English 1419 GMT 9 Nov 93

[Text] Port-of-Spain, Trinidad, 9 Nov, CANA—Work involving law enforcement officers in Grenada, St. Vincent, Trinidad and Tobago and the United States

resulted in a TT21 million dollar cocaine bust in Grenada's waters over the weekend, according to a government statement here.

A Trinidadian and five unidentified persons were arrested when the Grenada Coast Guard seized a St. Vincent-registered inter-island schooner on Saturday following its departure from the Caricom jetty in Port of Spain.

The statement from the prime minister's Information Division said 60 kilos of cocaine with a street value of TT21 million dollars (one TT dollar ; 17.5 us cents) was concealed in cargo taken on in Trinidad.

Investigators from Trinidad were expected to leave on Tuesday for Grenada to pursue investigations.

The National Security Ministry said the recent seizures overseas involving nationals from this twin-island state were part of the "continuing and improved collaboration between Trinidad and Tobago authorities and their counterparts in other countries".

The bust in Grenada waters was the third international one involving Trinidadians within recent times.

Last month, the U.S. authorities reported finding 74 kg of cocaine on a methanol tanker from Trinidad that visited North Carolina. Four Trinidadians were arrested.

Another Trinidadian was arrested last Tuesday when he arrived in Europe with four kilogrammes of cocaine. He had travelled from Port of Spain to Frankfurt, Germany.

Haiti

Army Says Caputo Responsible for Meeting Cancellation

FL0911180293 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Nov 93

[Text] On 8 November the Haitian Army shifted onto international mediator Dante Caputo responsibility for the failure of the meeting scheduled for 5 November among the main actors of the crisis and boycotted by the military. During a news conference held at General Headquarters, Army spokesman Colonel Pierre Antoine said the failure of this meeting was in no way attributable to the Haitian Armed Forces [FADH]. The officer explained that, far from answering the questions raised and the clarifications requested by General Raoul Cedras, Caputo chose to ignore the concerns of the military institution.

[Begin recording] [Antoine] In view of Caputo's answers, on 3 November the general command reiterated to the emissary the conditions for its participation, while asking that the United Nations, which has declared itself a party, include an additional clause turning on its formal acceptance to fill the role of monitor. The general command did not fail to point out its disappointment in Caputo's attitude regarding the violations of the agreement by the president. Once again, by way of reply, Caputo set up the agenda for the meeting while promising to give the program as soon as possible and unilaterally setting the security system to be used, i.e., external security will be the responsibility of the FADH and internal security, the responsibility of foreign armed civilians at his disposal.

[Unidentified correspondent] The army spokesman rejected the use of force envisaged by the U.S. Government. Pierre Antoine explained that only dialogue can facilitate the way out of the crisis:

[Antoine] ...and the articles that follow in the Haitian Constitution. As always, the general command reiterates its determination to maintain dialogue with all sectors in the national life, within the framework of its constitutional mission to get the country definitively out of crisis. [end recording]

Judge Orders Gasoline, Gas Oil Distribution

FL0911214993 Port-au-Prince Signal FM Radio in French 1930 GMT 9 Nov 93

[Text] As the latest news on gasoline, we just received the pronouncement by Judge Enock Voltaire, who is sitting in chambers to provisionally deal with matters of special urgency in the Court of First Instance of Port-au-Prince. We have here a communique, which reads:

By all motives existing after examination, it has been decided according to competent instances, after considering all decisions and taking into account the situation, and using wisdom to safeguard the country's resources, in particular the running of the state, electricity supply in general, and other functions in the country, that within 24 hours, the pronouncement of the law ordering the distribution of gasoline and gas oil in the market will be ratified.

This order shall be enforced following signature by the judge.

Shell Ordered To Resume Distribution

PA1011002193 Madrid EFE in Spanish 2252 GMT 9 Nov 93

[Text] Port-au-Prince, 9 Nov (EFE)—A Haitian judge today ordered the multinational company Shell to resume the distribution of gasoline and other petroleum by-products, which had been suspended at the end of October due to the embargo established by the United Nations.

Judge Henock Voltaire gave Shell 24 hours to resume the sale and distribution of gasoline throughout the country. The United Nations established the embargo to force the return of constitutional President Jean-Bertrand Aristide, who is in exile in the United States after being overthrown in 1991 by a group of officers led by General Raoul Cedras, current commander of the Armed Forces.

FOPPS To 'Assist and Encourage' Boat People

FL0911223993 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Nov 93

[Report by Louis Mercier Bellevue on news conference by the Federation of People's, Peasant, and Union

Organizations for the Upholding of Democracy in Haiti, FOPPS, in Port-au-Prince on 8 November; passages within quotes in Creole—recorded]

[Text] [Bellevue] This morning at the headquarters of the Nationalistic and Progressive Revolutionary Party of Haiti [PANPRA], five people, all of them members of FOPPS, held a news conference on the crisis that the country is experiencing. During this news conference, the members of this organization denounced the international community that they believe is mocking Haiti. These FOPPS leaders believe the international community has failed in its mission in the country. Now accusations are being brought against Aristide and against [Commander in Chief General] Cedras, while the international community itself is far from finding a solution to the political crisis that the country is experiencing.

[Unidentified speaker] "They have decided to weaken the Haitian people by any means. They have used the 30 September 1991 events to weaken the Haitian people:

1. On the physical plane they have ordered an embargo so that misery and hunger can kill three fourths of the population.

2. On the moral plane they have accused the Army commander in chief of being a drug dealer. On the other hand they have accused the president of the country of having mental problems. This means there are no people in this country."

[Bellevue] The FOPPS leaders further accuse the international community of having itself contributed to the birth of the crisis. They believe the international community must try to solve, as soon as possible, the problem that it has itself created.

[Speaker] "We in FOPPS have noted that the international community alone is responsible for this situation, especially Haiti's four so-called friendly countries, including the United States, France, Canada, and Venezuela. The repeated failures of the international community in its search for a solution to the problem it has itself created in the country is a plot to weaken the Haitian people who had been aware of their hardships, and who had decided to struggle against all enemies, whether they are in or out of the country."

[Bellevue] If an appropriate solution is not proposed within 15 days, the FOPPS leaders say they are going to encourage more people to try to reach the coasts of Florida. It will be a boat-people campaign organized this time by FOPPS. It is the only solution they in this peasant organization have at the moment for the resolution of the crisis. This will allow the international community to use the country as it wishes.

[Speaker] "We declare that if the crisis is not resolved within 15 days, we will launch a movement called 'Operation Rescue.' We will assist and encourage people to go to Miami aboard small boats as the only solution we see, other than staying and dying in the country."

[Bellevue] They took the same opportunity to condemn the various cases of human rights violations recorded in the country, and said they are opposed to the implementation of Article 149 of the Constitution, which in their opionion, is not the best solution to the crisis.

Around the table for this conference by FOPPS were Frere Rodaille; Rigaud Zacharie, secretary general; Frantz Theosmy, assistant coordinator; Gabriel Miracle, a former leader of the Autonomous Organizations of Haitian Workers; and Villefranche Basquet, both of whom [as heard] are members of FOPPS. Louis Mercier Bellevue for Signal FM.

Jamaica

By-Election Expected To Qualify Finance Minister

FL0911191293 Bridgetown CANA in English 1622 GMT 9 Nov 93

[Text] Kingston, Jamaica, 9 Nov, CANA—A by-election the government hopes will provide a parliamentary seat for Jamaica's de facto finance minister, Dr. Omar Davies, will be held November 30, Prime Minister Percival Patterson has announced.

Nomination day will be November 13.

Member of parliament for the South St. Andrew seat, Hartley "Bobby" Jones, formally handed in his resignation Monday, clearing the way for Davies to contest the seat.

Davies is unlikely to encounter any meaningful opposition in what is in any case a very strong ruling People's National Party (PNP) stronghold, since the opposition Jamaica Labour Party (JLP) has said that it will not contest any elections until electoral reforms are completed.

The 46-year-old Davies, currently a senator, took over responsibility for the Ministry of Finance following the resignation of former Finance Minister Hugh Small in August.

But under Jamaican law only a member of the elected parliamentary chamber, the House of Representatives, can be minister of finance.

Prime Minister Patterson overcame the hurdle by appointing Davies as minister without portfolio with responsibility for finance while retaining formal ministerial responsibility.

Patterson made it clear at the time that Davies would be appointed finance minister as soon as a seat could be found and a by-election arranged.

The prime minister has said that Jones will replace Davies as a senator and continue to serve as a minister of state.

Mexican Adviser Remarks on Gore-Perot Debate

PA1011054193 Mexico City XEW Television Network in Spanish 0444 GMT 10 Nov 93

[From the "24 Hours" newscast]

[Text] Businessman Claudio X. Gonzalez, foreign investment adviser to the Mexican president, commented on the debate [between U.S. Vice President Gore and U.S. businessman Ross Perot regarding the North American Free Trade Agreement, NAFTA] on the evening of 9 November:

[Begin Gonzalez recording] I think that Vice President Gore contributed reasons and very important facts as to why NAFTA will benefit all countries involved and how the world is waiting for this signal from the United States to move forward.

On the other hand, Perot continued to create fear; he talked very contemptuously about our shortcomings; in fact, because we want to eliminate such shortcomings, we are opening up to the world to find better opportunities for our population and to ensure that there is a greater well-being in our country to eliminate the shortcomings to which he referred. [end recording]

Business Leader Comments

PA1011055293 Mexico City XEW Television Network in Spanish 0444 GMT 10 Nov 93

[From the "24 Hours" newscast]

[Text] Luis German Carcova, leader of the Business Coordinating Council, said:

[Begin Carcova recording] In my opinion, there was a clear winner [in the debate between U.S. Vice President Gore and U.S. businessman Ross Perot regarding the North American Free Trade Agreement]. I saw Vice President Gore as being very sure of himself, defending the basic principle of the free trade agreement, which is trade. I saw Mr. Perot defending positions that are not really the essence of the treaty. He defended political and personal positions. We should remember that he was a presidential contender against President Clinton's administration. Definitely, I believe we all know or at least assume that he wants to continue to play politics; therefore, he is not defending the treaty's principles, and I would even say he is not really defending his country's interests, rather personal, political interests. The whole issue has been politicized in the United States. [end recording]

Deputies React to Debate

PA1011061693 Mexico City NOTIMEX in Spanish 0529 GMT 10 Nov 93

[Text] Mexico City, 9 Nov (NOTIMEX)—The debate on the North American Free Trade Agreement ended with an overwhelming technical "knockout," because U.S. Vice President Al Gore "trashed at will" businessman Ross Perot, who tried unsuccessfully to prevent the ratification of this treaty.

Javier Garduno Perez, chairman of the Chamber of Deputies Commerce Committee, made that statement. Meanwhile, Agustin Basave Benitez, his counterpart at the Foreign Affairs Committee, said that Perot was only able to defend himself from personal charges.

NOTIMEX interviewed these legislators after the televised transmission, which was called the "Debate of the Century," in the company of 20 deputies of the official Institutional Revolutionary Party and National Action Party who watched the debate closely.

In the Protocol Room of the Legislative Palace, where two television monitors were installed to watch the event, there were constant shouts by the legislators against Perot, such as "He is doomed!" "It is a knockout!" and "They are going stop it!"

The majority, comparing it to a boxing match, remarked: "Wow! They send him a heavy weight." "What a bashing" and "He—Al Gore—cornered him every time," were some of the expressions heard.

Basave Benitez regretted that "they had distorted Mexico's reality. Both had used regrettable points of view against our country, but in general Gore silenced him with his arguments, and besides, he put him on the defendant's chair."

Benitez agreed with Garuno Prez that the result of this event "will gain more sympathizers in the U.S. Congress so that they will vote in favor of the treaty on 17 November (and) for its implementation as of January."

Garduno Prez added that this debate "clears up any confusion certain congressmen may have had; this will make them change their minds. Those who favor the treaty will stick to their position."

He said the arguments used in the discussion "were only valid for them, but they did not interest the Mexicans and are not advisable for us, because the arguments are offensive to Mexico."

He said that "Perot's expressions were slanderous and sensational, but the vice president was in there too, because he made statements that distort the Mexican reality."

He said, however, that Gore presented more solid arguments regarding the trade treaty to convince his congressmen, such as warning that the opportunity will not come up within the next 50 years, and if it is approved, a new road for world commerce will be opened.

Government Concerned About Protectionist Measures

PA0911195793 Mexico City NOTIMEX in Spanish 1812 GMT 9 Nov 93

[Text] Rome, 9 Nov (NOTIMEX)—The Mexican Government today expressed its concern here about the recent adoption of protectionist measures within the international framework of commerce; and it advocated the conclusion of the GATT Uruguay Round before 15 December.

Carlos Torres Manzo, coordinator general of Mexico's National Commission for Food Security [Comision Nacional de la Seguridad Alimentaria], stated this while participating in the 27th Conference of the UN FAO [UN Food and Agriculture Organization].

The Mexican official reasserted his support for the final declaration presented by former GATT Secretary Arthur Dunkel as the basis to conclude the Uruguay Round negotiations although "it does not defend my country's interests or fulfill its goals."

Referring to this, Mexico—which joined GATT in the 1980's—stated "its profound disappointment" over the fact that the great world powers have tried to undermine the disciplines contained in the Dunkel project "in the most critical areas for our countries." "The multilateral trade system has been undermined, the precarious balance achieved in six years of negotiations has been altered," it was stated by Torres Manzo when emphasizing the agricultural sector must guarantee a substantial liberalization of the access to markets.

He said the Blair House agreement represents an imbalance and obstructs the agricultural opportunity sought by developing countries, particularly Mexico, "although the final declaration's modest achievements fall short of our goals and expectations."

Torres said: Mexico states that fair international trade represents one of the key issues to achieve a permanent and sustained development, which was proved when its borders were opened in an unilateral way.

The Mexican official said Mexico, Canada, and the United States are about to comprise the largest common market in the world with approximately 360 million consumers, when recalling the North American Free Trade Agreement. He said Mexico has also established a commercial liberalization program with five countries in the Central American region, to create a similar zone, and a complementary economic agreement, late in 1993, within the framework of the Group of Three—which it comprises with Colombia and Venezuela.

The official added that the United Nations currently faces a historical opportunity to give greater priority to the solution of development problems; and, since weapons are no longer a balancing factor, financial and economic criteria must be established.

Referring to this, Mexico endorses a new agenda for development which allows a reorientation of UN work "to prevent the duplication of functions and squandering of resources;" and which essentially helps step up developing nations' growth.

Five Cubans Headed for U.S. Arrive by Boat

PA0911222193 Paris AFP in Spanish 1841 GMT 7 Nov 93

[Text] Mexico City, 7 Nov (AFP)—The newspaper LA JORNADA reported today that five Cubans who fled their country by boat arrived in Mexico and are under the charge of the anti-Castro Cuban National Liberation Front [FCLN], headquartered in Mexico City. The FCLN will help them make arrangements to travel to the United States.

The Interior Ministry's press office told AFP that it did not know anything about this matter, and none of the FCLN leaders were available for comment today.

According to LA JORNADA, citing the FCLN as its source, the five Cubans arrived on the coasts of Yucatan and Quintana Roo, in the Yucatan Peninsula, 1,150 km east of Mexico City.

Frank Quesel, one of the five Cubans, reached Yucatan after swimming eight miles, and the remaining four—Leonel and Jose Osorio Padron, Eduardo Blanco, and Angel Rojas—arrived in Quintana Roo on board a four-meter-long vessel after 15 days at sea.

The report includes neither the arrival date of the deserters nor the place from which Quesel began to swim to reach Yucatan.

The newspaper reported that the four Cubans left Camaguey for Grand Cayman Island, but the current pulled them to Mexican territory, where they arrived in Tulum. In Tulum, local residents helped them board a bus that would take them to northern Mexico.

In Tabasco State, 660 km southeast of Mexico City, immigration authorities arrested the four Cubans. According to LA JORNADA, the immigration authorities "turned them over to the exile organization."

During the past months, various groups of Cubans fleeing their country have illegally entered Mexico hoping to get to the United States.

Official sources have said that 23 Cubans entered Mexico since last September, some by occupying the Mexican Embassy in Havana and others by fleeing the island on rafts.

Costa Rica

Calderon Cited on Mission Negotiations in Washington

PA1011032093 San Jose Radio Reloj in Spanish 0100 GMT 10 Nov 93

[From the "Radio Reloj" newscast]

[Text] The work of a government mission that is negotiating with U.S. authorities in Washington is advancing satisfactorily, President Rafael Angel Calderon has said. The president said it managed to close three of seven land expropriations cases against U.S. citizens and that the other four cases will be turned over to the World Bank, in keeping with an agreement signed with that financial organization.

An international arbitration court will settle those four land expropriation cases inherited by this administration; when one governs, however, decisions must be made with the entire country in mind, President Calderon added.

The president trusts that the high-level mission that is in Washington and the agreement that was reached with the Rerum Novarum Labor Confederation will yield a definitive solution and end a suit filed by labor unions before the U.S. Department of Commerce.

Calderon added that the country not only has the most advanced labor legislation but that it has been improved considerably. He said that there will be no problems with the suit filed by the unions, thanks to the Constitutional Court ruling, the approval of legal reforms, and the ratification of agreements with the International Labor Organization.

It is expected that the U.S. Government will rule in the next few days in favor of Costa Rica and end the threat of eliminating Costa Rica from the preferential tariffs regime of the Caribbean Basin Initiative.

El Salvador

Shafik Handal on U.S. State Department's Documents

PA0911201993 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 9 Nov 93

[From the "Facing the Moment" newscast]

[Text] Shafik Jorge Handal, Farabundo Marti National Liberation Front [FMLN] general coordinator and former commander, comments on the documents that the U.S. Government handed over to El Salvador on the death squads. This is the first FMLN reaction to the announcement on the release of the documents.

[Begin recording] [Reporter in progress] ...death squads?

[Handal] This is common knowledge in the country and it has been confirmed by a source that cannot be accused of being pro-FMLN. These documents are reports that originated with U.S. Government officials in El Salvador and which had been kept confidential. These reports were addressed to the governments of Mr. Reagan first and Mr. Bush later, governments that were involved in the struggle against the FMLN. This is the novel and valuable feature of these reports. It remains to be determined whether or not the persons mentioned therein are still active. This determination is most important at present. Many people were investigated in the past. [passage indistinct] The important thing now is to find out who is still active.

[Reporter] [Question indistinct]

[Handal] It's the commission's work. It is necessary to determine whether or not these people are still active.

[Reporter] [Question indistinct]

[Handal] There will be many arguments against such a proposal. It will be said it is untimely because we are in the midst of an electoral campaign, for instance. The answer, however, is still that they had it coming, that they should have acted in March, as soon as the Truth Commission recommended that action be taken. We wonder why they waited so long. I think this is a weak excuse. This is our position. We do not want the election process to interfere with the investigations. Oppositely, we are not interested in using the investigations as an instrument in the political campaign. [end recording]

Urges Investigation

PA1011043793 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Nov 93

[Report by William Melendez; from the "Up to Date" newscast]

[Text] Shafik Handal, general coordinator of the Farabundo Marti National Liberation Front [FMLN], has asked the authorities to investigate if the people mentioned in the U.S. Government intelligence documents are still active in the death squads. Handal said the Salvadoran right wing cannot doubt the credibility of the information contained in the documents, because U.S. Government intelligence work is involved.

A new controversy is drawing closer on the national political scene—just 10 days before the beginning of the election campaign. The U.S. Congress learned last week about extensive reports in which the CIA, the Pentagon, and the State Department link Vice President Francisco Merino and Armando Calderon Sol, Nationalist Republican Alliance presidential candidate, to the death squads.

Handal has a concrete position about this:

[Begin Handal recording] What we have to investigate now is whether those mentioned are remaining active;

that is the important thing now. Many people were involved in the past. It is hard to know who was not involved in all of this, in the state forces, and in the country's right wing. The important thing to know now is who is remaining active. [end recording]

Being unsurprised by the announcement, Handal said the new thing about this is the source of the information, which of course does not favor the FMLN. The leftist political leader also talked about his recent visit to the United Nations and the U.S. Congress following the latest bloody incidents that shook the country's political stability.

[Begin Handal recording] The reaction we saw, without exception, was of great concern. In certain cases they said they were horrified. They were willing to take prompt action in defending the peace process. [end recording]

According to Handal, the FMLN will not only conduct international trips to warn of the events in the country but will also hold meetings locally, including one with UN Under Secretary Marrack Goulding.

Deputies Comment on Reports

PA1011045593 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Nov 93

[Report by Linda Quijano; from the "Up to Date" newscast; passages within quotation marks recorded]

[Text] Nationalist Republican Alliance [ARENA] and National Conciliation Party [PCN] deputies supported the position adopted by ARENA presidential candidate Armando Calderon Sol. They downplayed the intelligence work by the U.S. Government. Meanwhile, Christian Democratic Party [PDC] Deputy Gerardo Lechevalier demanded the immediate resignation of the officials mentioned in the secret documents.

ARENA Deputy Gloria Salguero said that bringing to light information that, in her opinion, was gathered on false premises shows a malicious objective to harm her party, in political and electoral terms. [Salguero] "I think giving this sort of information during a preelectoral phase is in very poor taste; this sort of information is brought to light, but we do not know if deep down it is false, and I think it is false." PCN Deputy Rafael Machuca, in turn, felt that the aim is to discredit ARENA.

[Machuca] "One gets the impression that this is a campaign against ARENA and that this campaign is very similar to the one waged against Napoleon Duarte." Meanwhile, the PDC felt it is important to conduct an in-depth investigation of the content of the report, which Lechevalier regarded as delicate.

[Lechevalier] "The information mentioned is very serious, and all the more so because it is official information from the State Department, the Department of Defense, and the CIA, and I feel it cannot be taken lightly. That is precisely why we are supporting an investigation.

[Salguero] "As ARENA, we have always said and have come out in favor of discovering the true death squad members. As ARENA we reject and condemn any charge we belong to the death squads."

PDC Deputy Lechevalier believed that the right thing would be for the officials mentioned in the documents to resign their posts.

[Lechevalier] "I think these people should resign their aspirations and the posts they hold. This is a first step measure, so that once they have offered to resign a serious and in-depth investigation is conducted on all of this.

[Salguero] "They would be happy if something were to interrupt Calderon Sol's candidacy, because he is the only candidate we could say, as we consider him president already because nationwide acceptance of him is total."

According to the PDC, the documents revealed by the Department of State constitute an international reprisal against the government of Alfredo Cristiani for failing to abide by all the peace agreements and most of all by the Truth Commission's recommendations. ARENA does not share that view, as it states that its administration has kept all the commitments made.

Calderon Describes CIA Information as 'Regrettable'

PA1011042093 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Nov 93

[Report by Erwin Gongora; from the "Up to Date" newscast]

[Text] Armando Calderon Sol, presidential candidate of the ruling party, has described as regrettable and irresponsible the information revealed by the CIA in the past few hours—through 12,000 documents kept secret during the past decade that link Vice President Merino and Calderon Sol to death squad activities—because there is no evidence backing such charges.

[Begin Calderon Sol recording] I think that the Salvadoran people have all the right to see people brought to justice but based on facts and evidence; in this regard, I think that propagandistic information is being disseminated. Everyone knows that when electoral campaigns start there is this type of disinformation, which is regrettable. [end recording]

Calderon Sol added that if organizations such as the CIA were aware of this information, they should have revealed it when it was obtained instead of now—on the eve of the general elections.

[Begin Calderon Sol recording] I think it is irresponsible if they had the evidence or have the evidence, but did not or have not revealed it.

I think there is complicity involved; that is, to withhold evidence against a person instead of turning it over to justice. I think it is irresponsible and that there is complicity on the part of the United States or whomever. [end recording]

Calderon Sol added that this information will not discredit his image as presidential candidate for ARENA [Nationalist Republican Alliance], because the people are aware of the work he has accomplished so far.

Peace Committee Member on Death Squads, Goulding Visit

PA0911200793 San Salvador Radio Venceremos Network in Spanish 1800 GMT 9 Nov 93

[Telephone interview with David Escobar Galindo, member of the Coordinating Committee for the Peace Process, by Radio Venceremos reporter Pablo Cerna; from the "Period, Same Paragraph" newscast—live]

[Text] [Cerna] We have David Escobar Galindo on the line. Good afternoon.

[Escobar] Good afternoon.

[Cerna] Mr. David Escobar Galindo, we would like to know what you expect from UN Under Secretary General Marrack Goulding's visit to our country at a time when the opposition groups are describing the situation as a political crisis, a serious situation?

[Escobar] I believe that the process is proceeding with a certain degree of strength and there are times when problems and difficulties arise. As far as I can see, the United Nations is very interested in solving those problems and overcoming the obstacles. This is not the first time Mr. Goulding comes to the country. He has been here before. Now that this situation has developed, now that some violence has occurred—there is no doubt that murder creates uncertainty and rejection—I believe his presence is good because he will evaluate the progress of the process and will make recommendations to reestablish normalcy in the peace process.

[Cerna] In conclusion, since this is a brief interview during our noon cast, we would like to ask about an AP dispatch we read this morning. The dispatch is datelined New York and cites an article carried by THE NEW YORK TIMES. The New York newspaper reports that in the documents released by the CIA to the U.S. Congress, Salvadoran Vice President Merino is mentioned as being involved with the leadership of the death squads. If this were true, what would it represent for the Salvadoran Government?

[Escobar] I have no knowledge of the contents of the declassified documents or the article you are citing. Any mention of a name is always traumatic and creates problems. I just hope that once these documents are made public, as they are being made in the United States, that they will not create in El Salvador a phenomenon of return to the past where we will begin to search for those who are guilty of things that happened so long ago. I believe we should look ahead, and this I say sincerely. I personally believe we should look ahead. I believe that for some time now it has been time for truth in the country; ever since the peace agreement was signed it has been time for truth. All that happens should help ensure that things of the past will not be repeated. I hope none of this will contribute to bringing back things that happened in the past. I do not believe that would be good or constructive.

[Cerna] Thank you for your statements to our newscast. We wish you a nice day.

[Escobar] Thank you. You are very kind.

ARENA Presidential Candidate on Links to Death Squads

PA1011001493 Panama City ACAN in Spanish 2207 GMT 9 Nov 93

[Text] San Salvador, 9 Nov (ACAN-EFE)—Armando Calderon Sol, presidential candidate for the Nationalist Republican Alliance, ARENA (the ruling party), ruled out today that reports published in the United States linking him to "death squads" will affect his candidacy.

In an article published today, THE NEW YORK TIMES stated that it had access to confidential reports that Washington declassified in which Calderon Sol and Salvadoran Vice President Francisco Merino were mentioned as the main organizers of those clandestine groups.

In a statement to the press, Calderon Sol was cautious when commenting on the reports attributed to the U.S. secret service, according to which he participated in the organization of the "death squads," as well as in the planning of several kidnappings during the 1980's.

Calderon Sol said "this situation must be handled carefully," because "foreign intelligence agencies should not release during electoral time information they supposedly have."

He added that in that sense "we have to be very cautious; we must know how to handle the information, because it could complicate the peace process in our country."

Asked if the information released in the United States directly linking him to political violence could affect his candidacy, Calderon said "it is no tragedy, because it is the opinion of foreigners who know nothing about the country's problems."

The Farabundo Marti National Liberation Front, FMLN, which is now a party, hopes that the information facilitated by the Clinton administration will contribute in clarifying the murders committed by the "death

squads" during the past civil war and recent ones against FMLN leaders and former guerrillas.

President Cristiani Holds News Conference

PA0911182893 San Salvador Radio Cadena Cuscatlan in Spanish 1720 GMT 8 Nov 93

[News conference with President Alfredo Cristiani with unidentified moderator and reporters in San Salvador—live; broadcast in progress]

[Text] [Cristiani] ...mentioned, Japanese Prime Minister Hosokawa has offered a soft loan in the amount of approximately $100 million, a little more; the actual amount is 10.7 billion yen if there is anyone present who wishes to work out the exact amount. This loan will be used to rebuild the two main bridges over the Lempa River and stretches of the San Salvador-San Miguel road that are still pending repair.

We also met with the president of the Japanese Ex-Im Bank and a $30 million line of credit for El Salvador has practically been approved. This line of credit will be used to import Japanese products and the idea is that this line of credit be used by the private as well as public sector. They also asked us about some cooperation projects—these are nonreimbursable funds—and they will try to include these funds in the Japanese Government's current fiscal year. Their fiscal year ends in March, so this will be discussed prior to March 1994. We will use these funds for education projects, the construction of an asphalt plant in San Miguel, and to purchase garbage collection equipment which would be distributed to some mayors.

Likewise, in the trade area, perhaps the most important thing was that in addition to Japan, the group also visited the Republic of China and the ROK. There we met with businessmen. We met with business in the three countries we visited. In Japan we attended a seminar between the Salvadoran group and some 40 Japanese enterprises.

In the three countries we visited our goal was to promote investment. Several businessmen expressed interest and said that they will be visiting our country shortly to study various investment possibilities. The Japanese will probably send a joint trade delegation. One outstanding fact of our visit was that during a private meeting with the president of Toyota Motor Company, he donated $25,000 to the Benjamin Bloom Hospital. He decided to donate that money to the Benjamin Bloom Hospital. He will send the donation through FUSADES [Salvadoran Foundation for Economic and Social Development], the foundation that is helping to rebuild the Benjamin Bloom Hospital.

In the Republic of China we are about to conclude the negotiations for a soft loan to the amount of $30 million. These $30 million will be used to enhance the country's reconstruction plan. This loan will be negotiated through the Central American Bank of Economic Integration.

Those are the results of our recent visit to the Far East.

[Moderator] Thanks, Mr. President. We will start with Antonio Mineros of Megavision.

[Mineros] Good morning, Mr. President. We will touch upon local subjects, now that you returned to the country. We wonder if you have been informed of the deaths of two former FMLN [Farabundo Marti National Liberation Front] commanders and if the corresponding investigation is well under way. Also, we would like your government's opinion on the U.S. Government turning over to the U.S. Congress more than 12,000 documents that describe more than 30 cases of human rights violations in the past decade. Finally, we would like your opinion on the current peace process and Marrack Goulding's expected arrival in the country in a few hours.

[Cristiani] We have invited the members of the interinstitutional commission and the investigating commission to a meeting this afternoon, where they can report on the status of the investigation. I understand Dr. Santamaria presented a preliminary report, which particularly deals with Mr. Castro in an incident in Usulutan, and later included the Arena [Nationalist Republican Alliance] deputy mayor and an FMLN leader, who was interned in a San Salvador hospital. I cannot give any additional details, other than those reported by Santamaria, until this afternoon when I will be briefed on the progress of the investigations. Also present at the meeting will Onusal [UN Observers' Group in El Salvador] and the members of the various investigating commissions. I understand the Spanish delegation has arrived already. The FBI began participating in the investigations even earlier.

Regarding the documents, the information we have from the U.S. Embassy is that there are approximately 11,000 documents with a total of some 40,000 pages—all of which will be declassified, as they say in the United States. We have been informed that these are the documents disclosed by the Truth Commission. These documents are not something we did not know about. Based on this, I will probably request a partial or full report from the commission.

Generally speaking, we are not worried about the information contained in the documents. This information is already in the Truth Commission's possession, the commission has already reported on it, and the Legislative Assembly decreed a general amnesty. We only hope this will not serve to heat things up even more. We are more interested in what might happen as a result of all the efforts made than in a new report on what happened before, which is no secret for most of people. In addition, the Truth Commission is aware of the information. The U.S. State Department has offered us one copy but said it will take them 14 days to do so. We still do not have access to the documents. We will have access when the State Department gives us a copy. Then we will have to study the report. I do not know how long it will take us to read 40,000 pages, let alone study them. We cannot

give any details on the documents' contents, only what our embassy in Washington has reported.

[Mineros] I asked this question due to Mr. Goulding's arrival in the country. The United Nations apparently is concerned about the peace process. There is an underlying subject in all this, however. We mean the reemergence of death squads on the political scene in the past two weeks, their disbanding, and that of illegal armed groups in the country.

[Cristiani] All we know is that Goulding comes to follow up the peace agreements. We have no doubts that the recent violence is one of the main reasons he came to El Salvador. We believe his arrival regarding the follow up of the peace agreements is timely because this will make it possible to conduct an audit, so to speak.

We have all been trying to advance as much as we can and clear the table before the 20 November deadline, which you may recall. That was not exactly a definite deadline but it was something we wanted to do so the peace process was not politicized in an electoral campaign. This is why we chose that date.

Moreover, we will tell Mr. Goulding we are also quite interested in finding out if there are organized groups carrying out acts of political violence; and, regardless of who they are or where they come from, we are determined to get to the bottom of the matter—and strictly enforce the law. In other words, we will spare no efforts to carry out an investigation and get to the bottom of the matter. That is why we have requested international cooperation—in other words, it is a thorough investigation. Investigators are checking specific events; it is not a heterogeneous investigation as in other cases where I am told the prevailing feeling is that they come to investigate death squads. No, that is not the issue. They come to investigate specific events and, if any of the findings indicate these actions were carried out by illegal armed organized groups, we will see what is done about them.

Obviously, we.... [pauses] the government position is that we do not reach hasty conclusions before we get the results of a given investigation. That is why we have always criticized those who jump to conclusions and hastily try to attribute something to previous situations that have nothing to do with it. This has happened in our country on innumerable occasions.

Consequently, we will meet with Mr. Goulding and tell him we will wait until we see the results of the investigation. I understand one case, dealing with Mr. Castro, has advanced a lot. We will wait and see what happens.

[Moderator] Rene Alvarenga, Radio Cadena Sonora.

[Alvarenga] Good morning, Mr. President. Dr. Mauricio Gutierrez Castro recently agreed with, but also deplored, the fact that international investigators had come to the country. He said all the judges who have died or have been assassinated in the country should also be investigated. I would like to hear your opinion about the investigation system in the country.

[Cristiani] For the time being, temporarily, we have two public security corps: the National Police and the Civilian National Police. Each one, in its own areas of responsibility, conducts investigations. There are specialized groups to conduct investigations and we call on them to solve cases such as this one. In these cases we call on the Investigation Commission for Criminal Acts. There is probably some confusion, because people may think that the foreign investigators have come to conduct their own investigations. This is not the case. They have come to cooperate with the Investigation Commission for Criminal Acts and to carry out the investigation in much the same way we may receive cooperation in technical, trade, or other types of professional matters. We see no problem in asking for cooperation to conduct investigations. This is why these people are coming here. The Spanish investigators are not going to conduct separate investigations; the U.S. and British investigators are not going to conduct separate investigations. There will be one joint investigation conducted and the responsible organization is the Investigation Commission for Criminal Acts. There is an important reason for this. No investigation will be valid unless conducted by an auxiliary corps of the Judicial System. It would be worthless. This is why the Investigation Commission for Criminal Acts must conduct the investigation; only then will it be valid once the matter is brought to trial. All we have done is ask that everyone cooperate with the investigation and ensure that the criminals are caught. These are not parallel investigations, it is one investigation being conducted with international cooperation.

[Unidentified speaker] [Question indistinct]

[Cristiani] We are looking into the death of the judge who was stabbed. The director of the Investigation Commission for Criminal Acts has appeared before the Supreme Court to provide them with information regarding the investigation. Regarding the judges who were murdered by the FMLN, well all we would need to know is the name of the actual killer because everyone knows that in the past, the FMLN conducted a campaign to murder judges. We also believe that this was covered by the amnesty decreed by the Legislative Assembly. This was the idea behind the amnesty otherwise everyone would be asking for investigations into everything and no Interpol, Scotland Yard, or FBI would be able to handle them. But there is an investigation under way to find who stabbed the judge. I am told progress is being made.

[Moderator] Raul Monge, [words indistinct].

[Monge] Good morning, Mr. President. Regarding the protocol signed at the Central American summit, I understand there was a clause added on keeping an eye on what is going on in Cuba. Not much has been said

about this. Can you tell us more about this? Why was this included and how will it operate?

[Cristiani] The truth is that it was not included in the protocol. The protocol is only on Central American integration. We did study a request made by political opposition groups and issued a declaration.

The important thing is that these opposition groups request a dialogue to seek a nonviolent transition to democracy in Cuba, and that Central America would be willing to intercede as deemed convenient if those are the intentions.

There is no predetermined mechanism, just a goodwill offer, in case, at some point, the parts that could go into a dialogue to seek a transition to democracy in Cuba consider that Central America could be useful.

We want our position to be clear, in the sense that we are happy to see the possibility of there being a peaceful transition to democracy in Cuba, meaning that it does not take place through bloodshed, as the Cuban people would suffer very much, and, on the other hand, that we do not agree with the totalitarian government of the current Cuban regime.

[Moderator] Sergio Barahona, from Teleprensa.

[Barahona] Good day, President Cristiani.

[Words indistinct], mainly Mr. Zamora, say that every time Mr. Goulding comes, it is because there is a crisis in the fulfillment of the peace agreements and also said that the death squads are entrenched within paramilitary structures. What is your response to this?

[Cristiani] In the first place, I think it is obvious that when Mr. Goulding comes it is because something important is about to happen. Otherwise, he would not come. Understanding this does not require great intelligence.

However, every time Mr. Goulding comes the crises are overcome. I do not think there is a crisis. The FMLN is undergoing a crisis as they say there are death squads. Our position is that we should investigate to determine whether there are any. If they exist, we will undertake actions against them, and if they do not exist, there is nothing to be done.

We do not believe that is a crisis. We believe a large part of this is a political campaign by the FMLN as they are perfectly aware of some topics, although I understand they have lowered their voice regarding some of those cases. This is exactly what happens when they hastily accuse someone.

With regard to the second affair, if Mr. Zamora has evidence, we will gladly dismantle any paramilitary group because we have as much or more interest than him in eliminating political violence in El Salvador. We have worked so hard to attain peace in El Salvador and are the most interested in the peace process not being perturbed; and that must be clear for him and any others.

If he has evidence, he should give it to us so that we can take action, but if he does not have evidence, he should stop pointing fingers without sufficient evidence, because a number of hypotheses could turn out to be involved in all these violent deeds.

I think it is very bad to try to make accusations without really being sure of what one is saying; just saying it out of speculation.

[Moderator] [Name indistinct], from Radio Farabundo Marti.

[Radio Farabundo Marti reporter] Good day, Mr. President. I have two questions.

First, in your last letter to the [UN] Security Council, to the UN secretary general, you asked Onusal to help the government to fulfill the Truth Commission recommendations and, specifically, to conduct an in-depth investigation into the private armed groups.

My question is: Will this investigation take place or will it be limited to just investigating the recent crimes that have taken place.

My second question is in regard to the transfer of personnel of the UEA [Drug Interdiction Executive Unit] and the Investigation Commission for Criminal Acts. I am also reading the letter from Mr. Butrus Butrus-Ghali, in which he stated some concern, on the part of Onusal, about some personnel being passed to the police without a previous selection or purge, if we can call it that. If that has happened, will the government correct this situation?

[Cristiani] In the first place, I believe that, obviously, if no crimes have taken place, no death squads can be investigated.

We have to investigate cases, then, conclude whether those illegal armed groups exist or not.

That is why, I repeat, the investigation is aimed at deducing who was the culprit of the murders, of who was responsible for these recent murders. In that regard the investigation, which Onusal supports, is the same being carried out by the Investigation Commission for Criminal Acts jointly with international cooperation. If there is an armed group operating, those investigations will confirm it. We have no reason to try some other way. To see whether there is violence, we have to investigate the facts. [Words indistinct] to begin the investigation.

In the second case, there is concern on the part of Onusal and it would require more selectivity, or a better analysis by the police director, or the members of the UEA, or the members of the Investigation Commission for Criminal Acts.

They have recommended some additional actions besides those already carried out by the police director. The agreements say the selection.... [pauses] Not a selection as it was not a matter of selecting personnel, but on the contrary, looking at the files and the previous conduct of these men in order to determine whether they were all professional and responsible persons, and, if there were any rotten apples there, exclude them. But, it was not a selection to determine who would be passed over. The agreement speaks of passing the whole UEA to the National Civilian Police in the corresponding divisions.

Guatemala

De Leon on Bishop's Appeal, 'Unchanged' Referendum Date

PA0911230693 Guatemala City Radio-Television Guatemala in Spanish 0345 GMT 9 Nov 93

[From the "Telepress" newscast]

[Text] When asked on 8 November about the criticism against him for sending government representatives to conciliatory talks with Congress, President Ramiro de Leon Carpio said he could not ignore the appeal by the Bishops Conference to hold a dialogue to find solutions to the institutional crisis.

[Begin de Leon recording] I cannot turn a blind eye on dialogue, apertures, or flexible positions. As president I represent national unity according to the Constitution. I accepted the talks, and government and Congress representatives have been holding individual dialogues on constitutional amendments and the possibility of an agreement. That does not mean, however, that we are giving up on the referendum. In that respect, we are respectfully heeding the Catholic Church's appeal. As I said, any agreement that may be reached has to be in accordance with the Guatemalan people's interests.

I cannot turn my back on the Guatemalan people. Any agreement has to be satisfactory to the people of Guatemala; in this respect, I reiterate that the main achievement or element of this agreement has to be the deputies' and magistrates' resignation and a political restructuring, because this is not only a matter of reshuffling individuals but also of making a political restructuring and eliminating political impunity; therefore, if the commitment exists, we can reach this. [end recording]

Commenting on this same topic, De Leon affirmed that a possible delay in the referendum scheduled for 28 November is out of the question.

[Begin recording] [De Leon] What makes a visit satisfactory is to have direct contact or direct communication with the Guatemalan people, something that is wonderful for a president. I think that for a president anywhere in world—whether his country is big, small, rich, or poor—what is most satisfactory for him is to know that he has God's blessing and the support of a people as beautiful as the people of Guatemala. I leave also a message of hope, civic spirit, and patriotism regarding the popular consultation, without engaging in proselytizing activities. I am merely broaching the subject, or I am asked to. Banners and placards support the president or the referendum.

In sum, it is very satisfactory; it is very satisfactory [repeats himself] to be in contact with what is happening. I plan on continuing these tours and visiting the country's 330 municipalities and continuing my decentralization program. It is through that decentralization that we will change Guatemala; we are going to make a revolution, a silent, bloodless, and peaceful revolution that will change Guatemala so that we can leave our children a better fatherland than the one we inherited from our fathers and in that way fight poverty, an issue that lies at the core of our government program. By fighting poverty, we will be eliminating the causes for violence and subversion and achieving something that is now synonymous with peace; that is, socioeconomic development.

[Unidentified reporter] Does this mean the date for the referendum is unchanged?

[De Leon] Of course, 28 November is the date the Supreme Electoral Tribunal [TSE] has set to hold a historic event unique in the history of Guatemala. It is unprecedented in Guatemala or anywhere in the world, because this is an act of direct democracy where the people will decide the future of Guatemala and where the people with their ballots for Guatemala will change the country and decide what is best, because they will vote yes or no; in that way, the date has been set. The TSE has made all the preparations.

Polls are already revealing what the result will be, of course. I think it will be an exemplary exercise in democracy before the world. The only thing.... [pauses] The referendum is not negotiable, but the only thing that could prevent the referendum from being held would be the deputies' and magistrates' resignation or an agreement that could ensure their resignation through a special mechanism; otherwise, the referendum is set. [end recording]

De Leon Says Dialogue Does Not Rule Out Plebiscite

PA0911194393 Panama City ACAN in Spanish 1804 GMT 9 Nov 93

[Text] Guatemala City, 9 Nov (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio today said the government's acceptance of the dialogue called for by the Catholic Church to overcome the political crisis does not imply the suspension of the plebiscite to purge the Congress and the Supreme Court of Justice.

De Leon told the media that the referendum, scheduled for 28 November, will not be suspended unless the 116 deputies and nine Supreme Court magistrates resign

before the plebiscite. "I have maintained a flexible disposition for a broad and open dialogue to prevent polarization, a dialogue that can lead to positive results to put an end to the crisis," De Leon told the media in the government building reception room. He explained that an opening for a dialogue does not mean the consultation will be suspended because the consultation is part of the president's strategy in view of the people's demands.

He said that the Executive Branch has presented to the deputies a counterproposal of "minimum" reforms outlined by an ad honorem commission of jurists, including Luis Beltranea, Fernando Quezada, Mynor Pinto, and Mario Fuentes. The reforms deal with eliminating impunity, corruption, the so-called discretionary funds, the right to be notified of an impending trial, as well as public expenditures control and the depolitization of the Supreme Court of Justice.

Other modifications deal with buttressing the Attorney General's Office and the Comptroller General's Office, as well as the honest management of the budget.

De Leon also said that he proposed reducing the number of deputies to 70 or 80 and cutting the president's and the Legislative Assembly's terms from five to four years, and that of the magistrates from six to five years.

He said that the agreement sponsored by the Bishops Conference should meet the people's demands fully, such as the resignations of deputies and magistrates and the restructuring of state institutions through reforms.

The Bishops Conference hopes to help find a face-saving solution for the political crisis that became aggravated after the foiled self-inflicted coup of now deposed President Jorge Serrano on 25 May.

So far, however, the Executive Branch and the Legislative Assembly have not had any direct contacts, De Leon said.

Deputies Propose Issuing Summons for Constituent Assembly

PA0911221993 Guatemala City SIGLO VEINTIUNO in Spanish 7 Nov 93

[Report by Carmen Aida Ibarra]

[Text] A large group of deputies from the FRG [Guatemalan Republican Front], Christian Democratic National Change Front, PSD [Democratic Socialist Party], FAN [National Advancement Front], MAS [Solidarity Action Movement], UCN [Union of the National Center], and other blocs proposed this weekend issuing the summons for a National Constituent Assembly as an alternative to the crisis, the inability to rule, and the possible failure of the executive and legislative branch talks.

During a private meeting, at least 20 deputies agreed that the only alternative left is to issue the summons, if the executive and legislative branches do not seriously fulfill their responsibility before qualified witnesses such as the Episcopal Conference bishops.

They explained that this alternative could gain strength and become an alternative next week, but everything depends on the success or failure of talks between the Executive and Legislative Branches and the decision adopted concerning the draft constitutional reforms.

Deputy Juan Francisco Reyes Lopez—who said the summons would be used only as a last resort for an overall solution to the current crisis—confirmed the information.

He added that the National Constituent Assembly would be convened 120 days after the summons, and it would have a four-month deadline to reform the Magna Carta; this would include changes in the state branches and the modifications requested by labor unions and popular groups.

Reyes said the idea of exercising this option is gaining strength among the deputies; so he believes that if a negotiated solution is not reached soon, Congress will have no problem in issuing the summons, because it is authorized by Article 278 of the Constitution.

As to the deputies' future, Reyes said that the current Legislative Branch could continue to operate parallel to the National Constituent Assembly, or it could be dissolved, because reforms to the Magna Carta include bringing forward the general elections.

If Congress is dissolved before a new legislative branch is elected, Article 279 of the Constitution authorizes the National Constituent Assembly to assume not only its authority but also complementary legislative functions.

Honduras

Commentary Views Increase in 1993 Foreign Debt

PA1011031593 Tegucigalpa LA TRIBUNA in Spanish
5 Nov 93 pp 14, 65

[Unattributed commentary: "Debt Contracted by the Government in 1993"; all abbreviations as published]

[Text]

MARCH			
Creditor	**Borrower**	**$ Amount**	**Purpose**
BCIE-263 5 Oct 93	ENEE	1,672,000	Purchase of the Rio Lindo Plant Voltage Regulator System
Chase	HONDUTEL	76,000,000	Financing HONDUTEL's expansion
IDB 14 Jan 93	H. Govt.	60,000,000	Central Bank's General Multisector Lending Program
Banco Ext. of Spain 26 Jan 93	H. Govt.	15,285,330	Plans, construction, installations, and supplies for Roatan Airport, installations and supplies for La Mesa (5th Centennial Consortium)
Kreditanstalt Fur Wiederaufrau (KFW) 22 Dec 93	ENEE	DM 1,500,000	Spares for El Cajon Hydroelectric Plant
Banco Bilbao Vizcayo of Spain 30 Dec 93	Govt.	33,921,576	Nacaome River Minigenerators
Elecnor of Spain 2 Feb 93	SECOPT	35,000,000	Plans, delivery, assembly of Electric Minigenerators for SECOPT
OPEC Fund 16 Oct 93	SECOPT	5,000,000	Repair of highways
APRIL			
Kreditanstalt Fur Wiederaufrau (KFW) 9 May 93	FHIS	DM 17,500,000	Financing FHIS projects
BCIE 8 Dec 92-16 Mar 93	H. Govt.	5,000,000	San Pedro Sula-Cortes Highway
OPEC 9 Feb 93	H. Govt.	5,000,000	Highway repair
Internat. Dev. Assoc.	ENEE	SDR 23,860,000	Partial Financing of Loan for Energy Sector Structure
MAY			
BCIE 9 May 93	H. Govt.	198,389	Assessment, master development plan for Patuca River and reclaimed areas
Venezuela Investment Fund	H. Govt.	3,770,000	Purchase of tubing manufactured in Venezuela
Spanish Export Loan Insurance (INIEXPORT) 24 Mar 93	SANAA	10,000,000	Water purification plant
Int. Develop. Association	FHIS	7,445,000	Second project of Social Investment Fund
IDB	FHIS	31,500,000	Various FHIS projects
Banco Bilbao y Vizcayo 23 Mar 93	ENEE	6,710,136	Plans, delivery, assembly of electric substations
Int. Dev. Assoc.	H. Govt. SDR	17,800,000	Protection for pregnant women
IDB	H. Govt.	49,500,000	Sanitation and streets in San Pedro Sula
Int. Dev. Assoc.	H. Govt. SDR	37,500,000	Adjustment loan for energy sector
JULY			
AID	H. Govt.	17,865,000	Refinancing of debt with AID
Kuwait Fund for Arab Econ. Development H. Govt. 27 Jan 93	H. Govt.	KD 5,000,000	Repair of secondary roads
Spanish Govt. Nat. Port.	Enterprise	11,750,000	Purchase of cold storage rooms from the Spanish enterprise SIRECOX
BCIE 21 May 93	HONDUTEL	5,580,000	To finance a regional digital network for Central American telecommunications
IDB 8 Apr 93	H. Govt.	50,000,000	Agricultural sector adjustment program
Int. Dev.Association (IDA)	H. Govt.	46,900,000	Improvement of transportation sector

After considering all of the preceding information, it can easily be seen that the country's foreign debt increased by $500 million, the equivalent of 3.5 billion lempiras, during the present year alone. It is very difficult for the country to overcome this situation, particularly considering that most of the tax revenue and the few dollars it gets from exports must be spent in amortizing a useless foreign debt, acquired for unproductive purposes such as the FHIS [Honduran Social Investment Fund], the cold storage rooms of the National Port Enterprise, the construction of airport buildings, and the useless projects of the past government in El Nispero and El Henecan.

The government experts who planned the changes in the country's economy must be frightened after realizing that while they try to improve the economic situation, others are working in the opposite direction. We are again borrowing huge amounts for unproductive purposes. We are creating autonomous state enterprises, such as the FHIS, which has already indebted us to international banks for more than $50 million, although this body was supposed to be temporary as stated in the decree that created it.

The Honduran people apparently care little for whatever happens, because they say one thing and do another, although this hurts us all. We know we should not sign for unproductive loans, because we will leave these debts for our children to amortize, debts with which they had nothing to do and from which we profit nothing.

All of this indicates that we are making the same mistakes as in the past, for which we are paying with devaluation and higher taxes. We will continue to borrow from international organizations until they make an adjustment to force us to amortize the loans for which we signed, until they impose more taxes and devaluation, all of which will lead to more expensive basic items, such as beans, corn, medicines, and oil, thus turning the foreign debt process into a labyrinth that leads us deeper and deeper into poverty.

A few years back, Dr. Jorge Gonzalez del Valle, director of the Latin American Monetary Studies Center, said in a lecture at the National Autonomous University of Honduras that World Bank and IMF officials generally believed that there has been abuse, neglect, and even irresponsibility by both sides in managing Latin America's foreign debt. Gonzalez also said the hand of the person that signed for a loan should have been stopped, that the lenders should have demanded that every new loan be backed by a productive project that could create its own sources of amortization. And we still continue to borrow, and no one stops the hands that sign us into deeper debt.

We cannot go on acting like that. It is living a fleeting moment, knowing that we mortgaged our future, and it will be our children who will have to pay for our debts just because a few officials so desire. We the Honduran people have the right to be informed of the reason for indebtedness. We cannot permit a few individuals who work for government autonomous institutions to act as if they owned the country, as if they can do to us and our money what they like. We do not have to commit the same mistakes of the past.

Because all of this new indebtedness will irrevocably lead to distort and deteriorate our economic process and cause serious problems initially to the new government, we hereby ask presidential candidates Carlos Roberto Reina, Oswaldo Ramos Soto, Olban Valladares, and Orlando Iriarte to state whether they agree with the present unproductive indebtedness. We extend this invitation to Central Bank President Ricardo Maduro, who we believe is a staunch advocate of the neoliberal doctrines, which will now have negative results due to the actions of other state institutions that request loans in U.S. dollars for unproductive projects. How can a country develop while it spends most of its revenue in paying for interest on loans used in unproductive, useless works?

The candidates for president and the Central Bank president have the floor.

* Economic Power of Military Institutions Noted

94CA0027A San Jose LA NACION (REVISTA DOMINICAL SUPPLEMENT) in Spanish 3 Oct 93 pp 18-19

[Text] At an annual average of $20 million, the corporate investments of the Armed Forces of Honduras rival those of the country's 10 most important financial groups.

Managed by a hundred retired military officers, a team of 3,000 civilian technicians and executives, and 10,000 employees, the businesses controlled by the Military Planning Institute (IPM) are scattered throughout industry, commerce, finance, services, and the export of nontraditional products.

"Because of the reorientation in ideology, other necessities have arisen," in which the Army competes with civilian businessmen and is even prepared to "defend its profits with fervor and patriotism," says Colonel Hector Fonseca, manager of IPM.

The rise of a new military bourgeoisie as a result of the successful management of the pension funds of 7,000 officers and civilian personnel of the Armed Forces is changing the mentality, the priorities, what is understood as security doctrine, and even the system of values of uniformed personnel.

"Businessmen should forget about state protectionism," warns General Luis Discua, the top military officer. The system of values of the military is also adapting itself to their active participation in the capital market and the stock exchange. If the presidential office was once the ultimate goal of a military career, now the status that confers prestige is to form part of the executive class that manages the group's companies.

Amassed with public funds and with part of the $500 million of military assistance provided by the United States over the past decade, the fortunes of the military were furthered by the privileges obtained through the control of customs, the airports, air traffic, the migration police, the treasury police, seaports, the merchant marine, border check points, automobile registrations, all the security forces operating in the country, and even private security services.

The IPM began to build a financial structure in 1982. Today it has its own bank, Banffaa, the eighth most important in the country, with deposits of $19 million. It is the Bank of America's representative in Honduras and although "it was an error" to give it such a noncommercial name, Fonseca recognizes, its clientele includes prominent industrialists from San Pedro Sula and depositors from all sectors.

As do all modern investment groups, it has its own insurance firm, Previsa; stock brokerage, Market Investments, S.A.; and Previcard, a credit card for the exclusive use of the military, with backing from Master Card. It also has an advertising agency, Editorial Zodiaco, and a consulting firm responsible for advising on investment opportunities, called Research and Investments Company.

All this without giving up certain prerogatives and professional perquisites, such as a monopoly of the sale of weapons, with 12 branches throughout the country, and the funeral firm San Miguel Arcangel, the most efficient in the country. In addition there is the financing of more gratifying activities, such as the transmission of classical music on station FM Stereo Concierto, with which "we are helping to raise the cultural level," said the officer.

The same occurs in football, an irreproachable activity in this country, which transcends questions of uniforms. The high command of the Armed Forces, which sponsored the Olimpia team until recently, has given all its backing to Real Maya, a team originally made up of members of the Public Security Force (FUSEP), reorganized and recently moved up to first division.

Military investments have become diversified in recent years to activities that give promise in the open market economic system and Central American integration. This is done without neglecting the purchase of state companies of high strategic value to the military establishment, such as the Honduran Cement Industry (INCEHSA), sold by the state for $20 million in October 1991, through foreign debt conversion operations.

"No one believed that the military would buy dead companies," remarked the Vice President of the College of Economists, Otto Martinez, pointing out that the IPM purchased a bankrupt company with a $30-million debt to Kawasaki of Japan.

"This operation was on the point of ruining our system, but we managed to save it, and we are now generating good earnings," commented Colonel Fonseca, an artillery man trained in U.S. academies and sent to Washington to study business administration at American University.

Benefits passed into the military orbit overnight from the construction industry, a monopoly shared only with the Bijao company, property of a businessman of Jewish origin, Jaime Rosenthal, of the Continental group, one of the richest men in Honduras. They both have obtained very profitable contracts from the state for the repair of 12,000 kilometers of roads, promoted by President Rafael Leonardo Callejas and for the massive import of cement by El Salvador to rebuild what was destroyed in 12 years of civil war.

The mastermind of the Army's corporate investments aspires to exercise vertical control over the new activities in which he becomes involved. In the production of agricultural export commodities, the groves of African palms he possesses in the Department of Colon have their own vegetable oil processing company, called Agroinvasa.

The shrimp he raises in 425 hectares of marine farms of the company Hondufarms, located in the Gulf of Fonseca, are packed and exported from their plant, Pescasur. They have also launched an offensive in the construction industry to control the distribution of cement.

The IPM also has its finger in the real estate business: an office building that it rents in Comayaguela, twin city to Tegucigalpa, made more expensive because of business expansion. The military have not neglected the elite hotel business either, through another audacious market operation that will allow them shortly to place into service the Hotel Sheraton, in which they own 52 percent of the shares.

Encouraged by civilians, participation by the military in business was tolerated as an almost natural extension of the guardianship they have exercised over the political system since 1957, when they were assigned the function of guaranteeing the alternation in power of the Nationalists and the Liberals. "We do not want to fight with them because we need them," said Eduardo Facusse, the head of the Chamber of Commerce and Industry, explaining that the state contributes two-thirds of the IPM's pension fund.

Possibly due to an uncontrollable weakness for telephone espionage, but also because telecommunications has an excellent future, the military were moved to form a "pool of investors" to acquire Hondutel, valued at $160 million, and which is under military control. The IPM is trying to convince the teachers and the government employees to put their badly invested pension funds to work in the pool in order to present a purchase offer to the state.

The military ceased being saints to whom businessmen prayed in the 1980's, when the IPM adopted a more aggressive attitude in its investments "faced with the

effect of devaluation of the currency, the inflationary spiral, and reductions in the Armed Forces' budget," Colonel Hector Fonseca pointed out.

"We could not permit our investments, at a fixed return in Lempiras, to decapitalize our pension fund," said another member of this new managerial class that has one foot in the high command of the Armed Forces, and the other in meetings of boards of directors and stockholders' assemblies, whose membership includes ex-dictators Policarpo Paz Garcia and Oswaldo Lopez Arellano, and all the officers who have been members of the General Staff.

This new economic force is trying to differentiate itself from the Honduran bourgeoisie, ethnically divided between Arab and Jewish immigrants. Talk with some members of the high command and extolments of nationalist sentiments that motivate their business dealings began to flow: "We are playing a patriotic role"; "We are more loyal to the lempira than many businessmen"; and "All of our investments are within our borders."

All of this suggests the birth of a military fundamentalism, expressed in the economic arena, that will require them to redefine their relations and future alliances with civilians, determined by criteria of competition in the market, profitability, and the formation of corporations and financial blocs.

The idyll that characterized the relationship between the Army and businessmen since the 1950's seems to have reached its end. "There was greater understanding before because the businessmen needed us to protect their interests in Central America from communism and because we did not go into business," said General Hector Castro Cabus, the chief of the Air Force.

Today, the Armed Forces are no longer an appendage of economic power and, therefore, the logic with which they will act in future internal conflicts remains to be seen, since the prosperity of both sectors has a common source: to feed on the accelerated social decomposition.

Nicaragua

Chamorro To Visit Austria, Spain; Seeks Economic Support

PA0911163593 Managua BARRICADA in Spanish 8 Nov 93 p 12

[Report by Maria Alicia Talavera]

[Text] Government sources have confirmed that the official tour President Violeta Chamorro begins tomorrow in Austria and Spain is intended to seek both political as well as economic support.

In the first stage of her trip to Europe the president will visit Austria and will be in Spain 15, 16, and 17 November, to return the visit that King Juan Carlos and Queen Sofia paid to Nicaragua in April 1991.

Spanish Ambassador Fidel Lopez told BARRICADA that his government's economic and political support for Nicaragua "is clear and evident." On the political front, Spain has acted as Nicaragua's ambassador "defending and doing work" before multilateral organizations and the United States for the quick release of blocked aid and credits.

On the economic front, this support has been seen in donations and cooperation. Cooperation programs during 1990-93 amounted to about 2.5 billion pesetas—about $25 million. To this we must add the FAD [Support and Development Funds] credits worth $85 million, signed in April during Presidency Minister Antonio Lacayo's visit after the meeting of donor countries in Paris.

"Nicaragua is still the biggest per capita recipient of our cooperation," Lopez said, even though there are countries that surpass it in overall figures. The diplomat commented that the budget problems Spain will have next year, determined basically by economic problems, could cause a significant curtailment in Spanish foreign aid. Notwithstanding, in the case of Nicaragua, the diplomat said: "I hope that aid is not cut back. We will see that it gets reduced as little as possible."

Asked whether aid will be conditioned on whether or not there is an agreement between Nicaraguan political forces, Lopez said that the international community "logically prefers that there be an internal agreement because the funds that come here would have a much more beneficial effect."

It is important for Spain that a national agreement be reached "because Spain shares this wish with the donor community of which is part."

Lopez said that this, basically, will be the message that the top Spanish authorities will transmit to President Chamorro and her delegation in the meetings with the king and queen, Spanish Prime Minister Felipe Gonzalez, and Foreign Minister Javier Solana.

Although he reiterated that "this is a Nicaraguan problem," he stated that any formula that comes from within is good, so long as it is the result of a consensus. To this effect, he pointed out that there is not an exact formula, but the best solution would be the one that "solves the problems with political generosity and a state vision."

Spain cannot present a fabulous formula, but we "try to transmit to all of our interlocutors the same message, that is, to build the country, to look ahead into the future, because otherwise society will become more polarized." The diplomat recalled Spain's support for making the Armed Forces more professional. When referring to the Military Organization Law, he said that Spain is willing to offer advisory support when Nicaragua so requests it.

The Nicaraguan delegation will also hold meetings with the authorities of the Ibero-American Institute of Cooperation (ICI). It is possible that an agreement will be signed for the development and protection of reciprocal investments. Its importance lies in the fact that the Spanish investors would have the rules of the game for investing in Nicaragua, within which they might derive benefits, capital, transfer them, or sell them.

However, he pointed out that the "only black spots" in relations between the two countries are the property claims by Spanish citizens "over the impatience and frustration not only among the persons directly involved, but in the efforts that the government and this embassy are making." The diplomat pointed out that there are 20 cases of confiscation, of which none has been completely solved. Therefore, it is difficult to explain to the Spanish people "why we are offering assistance to this country and government, when the claims are still pending."

Some have received something. Such is the case of Pedro Ortega Macho, who was given back 50 percent of the Match Factory, for example. Nonetheless, Ortega Macho is demanding other goods that have not been returned to him and for which he has not received compensation. "In other cases, nothing, absolutely nothing, has been returned," he stressed.

"Our policy is not to tie one thing to another, but I have difficulty in justifying the policy of my government to the Spaniards whose properties were seized," Lopez said reiterating that he hopes the Nicaraguan Government will not treat Spaniards any less than the best treatment they give other foreigners.

Managua Mayor Prevents Audit of Municipal Accounts

PA1011041393 Managua EL NUEVO DIARIO in Spanish 6 Nov 93 pp 1, 18

[Report by Mario Sanchez P.]

[Text] Managua Mayor Arnoldo Aleman prevented yesterday the comptroller general of the Republic and a judge from the Attorney General's Office from "placing seals" on the municipal offices' doors—to begin an audit of municipal accounts—by gathering hordes of the PLC [Liberal Constitutionalist Party] and JCOP [expansion unknown] armed with sticks, iron pipes, and even machetes to fight off police forces.

Mayor Arnoldo Aleman has proved once again that he is "acting in bad faith" and that his position, in addition to precluding an audit, is merely of a political nature. He has again placed himself above the country's laws by stating that he will never allow the Comptroller General to examine Managua Municipality's accounts, because he does not recognize Comptroller Jose Zapata Chavez' authority "because he was handpicked by President Violeta Barrios."

He also forced a group of Municipal Council members, particularly PLC councilmen, to violate the law by signing a communique disowning Comptroller Zapata Chavez' authority. The PLC councilmen are "up to their necks" in the innumerable acts of corruption reported in the municipality.

The communique from the councilmen "paid by Aleman" states also that they will take the comptroller general of the Republic to court, because he reportedly illegally usurped public duties.

Aleman and his staunch supporters—who at the last minute were joined by Councilman Clemente Guido of the Christian Democratic Union (UDC) and of the Christian Democratic wing, for reasons still unknown—stated that they would request a jail sentence for Jose Zapata Chavez for "usurpation of public duties." Guido's attitude caused surprise, because on several occasions he had accused Aleman of corruption and had requested that his accounts be audited. Meanwhile, Aleman appeared very nervous, given the legal and administrative suits that could result from the Comptroller General's Office audit. Outside the mayor's office auditorium "Ernesto Castillo Salaverry," a group of approximately 200 PLC men and women from the JCOP, armed with heavy objects were ready to confront the riot police, who started to cordon off the building that houses the municipal offices.

At this very moment, leaders of the Managua market merchants arrived asking to negotiate with the mayor their debts owed for rentals, the reduction of taxes, and the ousting of Ana Julia Balladares, Western Market manager and a former Sandinist military member.

It sufficed the "Arnoldo" hordes to sight the merchants when they rushed to remove them from the front of the building where the councilmen were holding a meeting.

The Town Hall meeting was held amidst a great deal of nervousness and tension. The situation calmed down with the arrival of the police reinforcements, which threatened to use force if the hotheads did not calm down.

Aleman, who during the whole session remained with his hands folded and his lips tightly closed, suddenly suspended the councilmen's debate when he learned that outside the building violent actions could break out, because former EPS Major Donald Mendoza, Commander 31, had arrived to express his support to the merchants. At this time, Aleman adjourned the meeting, to be continued at 1600 at the Camino Real Hotel.

Monica Ballodano, chief of the FSLN councilmen, confronted Aleman on his fears, not allowing the municipal accounts to be audited. If the municipality had been administered honestly the audit would not harm the mayor in any way, she said.

Monica also warned the councilmen—the majority PLC members pointed out as corrupt and accomplices of

Aleman's bad administration—that what the mayor wanted was to drag down the Municipal Council so that they would be forced to endorse his purely political position and his lack of honesty.

It was FSLN Councilman Javier Alvarez, however, who put down Aleman and his "paid" councilmen's argument when he said that the communique Councilwoman Jamileth Bonilla had previously drawn up: "is an excellent example of illegality, as it proposes to ignore the comptroller general."

Alvarez added: "You—who have always bragged about being democratic and so obedient of the law—have no legal power to ignore the comptroller general and the Comptroller General's Office as an institution."

Likewise, Alvarez charged that Clemente Guido "is now pitching for the other side." Alvarez said that to ignore the acting comptroller general's powers "is to propose to ignore President Violeta Barrios de Chamorro's authority."

Regarding Aleman's call to the councilmen so that they immediately issue their "statement of probity," Alvarez said the councilmen should have fulfilled that duty three years ago when they assumed their municipal offices, instead of waiting until now.

Meanwhile, Agustin Jarquin, councilman for the Democratic Bloc, called on the mayor and his "paid" councilmen to rethink their decision of issuing a communique disregarding the comptroller's authority, because they "would commit mistakes that would be detrimental to the municipality and its administration. This must be resolved in court and not at the Municipal Council, because it is not the Supreme Court of Justice."

He also warned Aleman by telling him that disregarding the comptroller was only a political position, not a legal one, and yelled at him that almost all the mayoralties of the country have been audited without problems and that only he—Aleman—opposed having his accounts audited. The mayoralties of Granada, Masaya, Juigalpa, Matagalpa. [sentence as published] Jarquin said: He whose conscience is clear has nothing to fear.

Groups Protest Privatization of Public Service Institutions

PA1011012493 Managua BARRICADA in Spanish 6 Nov 93 pp 1, 10

[Report by Roberto Larios]

[Text] At least 2,000 people representing several groups in the country were mobilized on 5 November by the National Workers Front (FNT) to Bolivar Avenue to march to the Presidential Palace, thereby launching a protest campaign against the privatization of state public service institutions, as well as to demand an increase in the funds earmarked for health and education.

Leaders of the FNT organization members criticized the government's economic policies, which have caused more than 60-percent unemployment, and announced their decision to resist the government's plans to implement further public spending cuts during 1994.

During their speeches, certain FNT leaders partially criticized the National Assembly deputies who on 4 November decided to send the proposed bill regulating privatization for evaluation by a special commission. FNT leader Lucio Jimenez downplayed the issue, however, and rejected the possibility of divisions within the FSLN [Sandinist National Liberation Front] as a result of the initiative.

Despite a strong police presence around the Presidential Palace, the workers' protest occurred without any violence and in a very festive mood; nevertheless, a small incident broke out when a group of policemen attempted to clear the streets blocked by tires burned by the protesters.

The protest march began with the reading of a letter by Jose Espinoza, secretary general of Confederation of Trade Union Unity [CUS], addressed to Lucio Jimenez in which he apologizes for being unable to participate in the protest march due to "unavoidable commitments." At the same time, the CUS secretary general reaffirmed the union's decision to actively participate in the struggle against privatization of basic services.

Five-Pesos Salary

As a follow-up to the reading of Espinoza's letter, Edgardo Garcia, leader of the Farm Workers Association (ATC), refuted government assertions on the privatization process allowing services such as electricity and water to reach rural areas as well as far off communities.

"When will electricity and water arrive to the rural area if we are earning five cordobas a day? What investor will be interested in investing in a project that entails providing such services to the rural area if they know there will be no return on their investment?" Garcia said.

Representatives of demobilized organizations such as FROC [Peasants-Workers Revolutionary Front], National Sovereignty, FALPA [Action Front of the People's Armed Struggle], MADNA [Expansion unknown], and the 3-80 Northern Front also participated in the march. The 3-80 Northern Front demanded that the government honor the agreements that prompted them to surrender their weapons. The protesters danced and sang all afternoon to music provided by the Galo Family Group.

Ernesto Espinoza, leader of the National Workers Union [UNE], rejected a government announcement of a new "labor mobilization" program, which will only result in the creation of thousands of unemployed among the public workers.

Espinoza claimed that the three-year salary promised by the government will only be for those workers who have been employed for more than 10 years with the same institution, in other words, the minimum number of public employees. [sentence as published]

On the other hand, Mario Quintana, Anden [National Association of Nicaraguan Teachers] secretary general, accused the government of planning to dismiss 2,200 teachers and close down several schools in the rural area, as well as the Esteli, Nueva Segovia, and Leon teacher's schools.

More than 67 percent of the current teachers have not gone through teacher's school or training centers [nucleos de profesionalizacion]. Quintana referred to the 4 November National Assembly vote on the privatization bill proposal and called on the protesters to choose whether they approved of the privatization plans. Immediately there was a unanimous shout of "No!"

INE [Nicaraguan Institute of Energy] and Telcor [Nicaraguan Telecommunications and Postal Service Institute] workers, as well as urban area unemployed and landless peasants, also participated in the march. Representatives from the neighborhood of Carretera Norte were accompanied by a float representing a cardboard slum area lit by a candle. They also brought along several people wearing disguises, including one as a devil—trident and all—which stood out most of all and was allusive to Finance Minister Emilio Pereira.

* Small Business Finds Obstacles to Exports

94CA0018A Managua LA PRENSA in Spanish 6 Oct 93 p 14

[Commentary by William R. Tefel T.]

[Text] The few foreign investors (maquiladores [sic]) that come to our country are given all manner of preferential terms and incentives. Their path is strewn with flowers and roses, but the national investor's road is beset with thorns, obstacles, and discouragement.

I fit into the latter category. With great enthusiasm, we made our first shipment of nontraditional products (canned and processed fruit), comprised of 100-percent national raw materials, to the American market. We presented documents from the Central Bank, MAG [Ministry of Agriculture], MEDE [Economy and Development Ministry], and MINSA [Ministry of Health], along with proof of fiscal solvency (if, for any reason, a person does not obtain such proof—not my case—he cannot export or work and the country loses that foreign exchange; ridiculous!).

Nevertheless, continuing down that thorny path, we got through the Customs inspection and finally arrived at the air terminal, where we were told that the air waybill had to be filled out by a customs agent, who in turn demanded a special proxy made out by an attorney, a secondary document that we could file later. However, since the ensuing days were holidays—some actual holidays with others in between (very common in this country)—we could not file the document until several days later.

As a result, we were fined the sum of 500 cordobas by the General Customs Directorate. Incredible!

We sent a letter of protest to Guillermo Ruiz, director of Customs, and Rene Vallecillo, deputy minister of finance, informing them that we deemed it most unusual and very unfair that a person investing in this country, creating jobs and, furthermore, generating badly needed foreign exchange for the country should have all manner of obstacles and fines placed in his path because such penalties castigate rather than motivate production and exporting. We have received no response. After all, we are national investors.

This case clearly proves that the small producer who engages in activities that help the country's economy finds himself in a hostile environment. We have a law to promote exports with all accompanying regulations, a law that establishes fiscal benefits for producers who engage in exporting. However, in practice it is not applied to small producers because shipments to the Central American area are not considered exports! Furthermore, the sums set by the officials who administer this law are too high to be met by the small producer. The officials who draft these laws are apparently ignorant of the reality of Nicaraguan production and of the specific fact that, in addition to foreign investment, our economy needs to promote domestic investment in which small and medium-size production play a fundamental role.

* FSLN Lacks Will for Serious Dialogue

94CA0018C Managua LA PRENSA in Spanish 7 Oct 93 p 10

[Commentary by LA PRENSA Executive Editor Horacio Ruiz]

[Text] Without question, the most significant dialogue ever took place in Nicaragua is the one between St. Francis and the wolf, an exchange which, because of the inevitability of human nature, leads to an agreement and then ends in disagreement! Our Nicaragua of today, a country anxious for peace, has succombed to a frantic craving for dialogue.

We have reached the extreme in which one has to be pro-dialogue or be somewhat unacceptable and out of place. Dialogue at all costs! Anyone who does not like dialogue, the theory runs, likes violence and rule by force.

Ever since the notorious *concertacion* [Coalition], we have dialogued or tried to dialogue ad infinitum. Minister of the Presidency Antonio Lacayo has proudly proclaimed his personal record of 1,000 hours of dialogue.

Not everyone is like that, however. There are those who sincerely believe that dialogue, even to the point of exhaustion and fainting, always bears fruit. President Violeta de Chamorro recently asked why, if such enemies as the Palestinians and Israelis have managed to reach agreements through dialogue, we Nicaraguans could not do the same.

Unfortunately, it is not that easy, Madame President. The Palestinians and the Jews went into the dialogue, not for the purpose of deceiving one another, but rather, with a desire to find solutions beneficial to both sides, a sincere effort to end the search for a violent solution. Since that was their intention, they achieved peace.

In beginning the first rapprochement between the FSLN [Sandinist National Liberation Front] and UNO [National Opposition Union], Deputy Daniel Ortega said that "we are now in a time of dialogue." In other words—this for the benefit of his supporters—the latter must hold their fire, stop burning tires, and even put down their AK-47's. The time has come once again to sit down and talk, to see whether the political rival can be deceived. Or perhaps they simply need to mark time until the right moment has come once again, not to dialogue, but to impose their will through terror and violence.

As the minister of the Presidency recently said, we must not be "short-sighted" [*cortoplacista*]. We heard this strange term for the first time in 1974, when an urban guerrilla commando attacked the home of Dr. Jose Maria Castillo. For those who have studied these Marxist intellectual intricacies, it is a matter of not seeking objectives in a hurry, within the least possible time or in short-range terms. One must first tire the rival by dialoguing. One must dialogue for however long it is necessary until the rival gets tired, tangled up, and so confused that he finally ends up signing precisely what it is he did not want to sign. It is a matter of beating the rival by malicious patience, the patience of a person who knows that the interlocutor has good intentions and sincere desires, which end up being his weak point. A spider weaving a web to trap a fly would be a good example.

That is why we must not believe that all dialogue is good; it is not necessarily. Dialogue can be a subtle trap, a tempting and well-concealed bribe, a marathon through such a complicated labyrinthe that the individual best trained to run and best acquainted with the obstacles always wins, saying he has reached an agreement, when in truth, what he has done is eat up his rival just as the spider devours the fly.

BARRICADA recently published a commentary saying that "what many people have come to understand is that we (Sandinists) are now involved in the task of alternating dialogue with the people's struggle." In other words, when the time for dialogue is over, they will return to the rocks, barricades, and tire burning. In other words, they have no real intention of reaching solutions through dialogue. Rather, dialogue is an infertile period of peace lasting until the next attack.

Let anyone with eyes read and anyone with ears hear: Dialogue is a positive thing if one goes into it with a real desire for peace and ready to make mutual concessions for the benefit of the nation. However, it is not always good, nor does it have to be. UNO must rapidly probe the intentions of its adversary and leave the dialogue if they are bad. Dialogue is good, yes, but not if it is dialogue for the sake of dialogue.

If one insists on dialoguing out of virtue, the best thing to do is organize a daily gathering at home. But if one is gullible enough to believe that national dialogue, whether bipartite, tripartite, or quadripartite, is always patriotic, one is doing no more than collaborating with the political enemy who has other intentions, great vocal strength and, above all, great confidence in the weakness of the opponent's good intentions and his ability to take advantage of that good disposition for his own benefit.

* Luis Carrion on Government, FSLN Leadership Issues

94CA0018D Managua EL SEMANARIO in Spanish 30 Sep-6 Oct 93 pp 18-19

[Interview with FSLN National Directorate member Luis Carrion by Edgard Solorzano; place and date not given; first four paragraphs EL SEMANARIO introduction]

[Text] Even though he has reached 40, he remains the youngest member of the National Directorate of the FSLN [Sandinist National Liberation Front], on which he has served since the end of 1979. During the prerevolutionary years of the late '70's, he headed the guerrilla columns of the Sandinist Front in the Roberto Huembes Northwestern Front in Boaco and Chontales. An economist with a degree from the UNAN [National Autonomous University of Nicaragua] in Managua, he is the son of a well-known Nicaraguan businessman who gradually became a Sandinist collaborator. He has brothers who are Sandinist officials.

He is now considered one of the most respected members of the FSLN Directorate, having recently completed a Master's in Public Administration at Harvard University. By so doing, he incurred suspicious commentaries, even from within his own organization (not so long ago, an MA from Harvard was unthinkable for a Sandinist leader).

In his words, graduate study was very important for both his private and political life "because it was a year that made it possible for me to reflect upon the situation in the country and the changes that are now occurring."

He resumed his professional work in the party only a few months ago, at a time when his views and political perspective could contribute to the dynamic process of reaccommodation and reflection on the Sandinist

Front's new role in Nicaraguan society that it is now facing. In the following interview, Carrion analyzes recent events in the country, their consequences, and the experience he has gained from them.

[Solorzano] As a result of incidents that occurred in the heat of the national transport strike, many questions have been raised about the Sandinist Party, including one about whether or not the Sandinist rank and file follow a policy of violence. Do you think they do?

[Carrion] No. I think that in general, the Sandinist rank and file are not inclined to violence. This does not mean that there are no small groups or individuals—who identify with or have in the past identified with Sandinism—predisposed to violence who have not understood or accepted the fact that the political changes occurring in the country and the world require a complete rejection of violence as a method of political struggle. However, I do not think any such general predisposition exists. On the contrary, they are very aware that we must have nothing further to do with such methods.

[Solorzano] Then how do you explain the behavior of Sandinists during the transport strike, which began as a civic expression and ended up turning into a fight with barricades, tire burnings, and other violent methods?

[Carrion] What we have here is a series of related problems. On the one hand, we have styles of protest traditionally used in political and social struggles in Nicaragua. The problem is that there is zero or very little experience with new forms of struggle, and there is a tendency to revert to traditional forms. I think this reveals a lack of imagination on the part of the leaders, who fail to look for creative forms of protest that would be less offensive to those not participating directly in the struggle. The barricades are another product of that same culture that has no experience with other methods. The things that happened at the barricades cannot necessarily be blamed on the Sandinist rank and file. It was a protest organized by transport workers that we Sandinists supported. However, as the protest went on, it got mixed up with actions organized by elements—even "lumpenized"—that in some instances took over the barricades. It is an overgeneralization to blame Sandinist groups for all the events that happened at the barricades.

Furthermore, I do believe that some groups or individuals took in weapons and guns and got carried away by their own violence. For example, the strike took its first victim in front of the Roberto Huembes market. A man taking his children to school was stopped at the barricades and when he tried to get by, a verbal exchange followed and someone shot him. Obviously there is no justification for this. It is repudiable and condemnable.

[Solorzano] To what do you attribute this "culture of violence"?

[Carrion] Several factors are involved here. First of all, the use of violence has been legitimate for too long. It was legitimate in the fight against the Somoza dictatorship, and it was legitimate for the Sandinists against the Contras and American aggression. It was even legitimate for the Contras in their vision of their fight against the Sandinists. In other words, vast sectors of Nicaraguan society have lived plunged in violence for too long, a violence which they have viewed as legitimate. I think it is a problem because there are those who continue to think that violence can legitimately be used for anything.

Second, I think the enormous political polarization in which we live has become a factor that encourages violence, either directly or indirectly.

[Solorzano] Why?

[Carrion] Because when acts of armed political violence occur, we have in recent years witnessed a dual policy conducted by political leaders, who have always sought a certain justification. In other words, if the victim of violence is a friend, then the violence is a criminal deed, but if the victim of violence is an enemy, the violence is not so bad. Consequently, I would say that our political, trade union, and even, sometimes, religious leaders have, through their conduct, created a space for the continued introduction of political violence.

[Solorzano] Does this include the Sandinists?

[Carrion] Yes, it includes the Sandinists, although the Sandinists have recently clearly expressed their position against violence in general and in specific difficult situations such as the one in Esteli.

[Solorzano] Is there any other element that you would single out as having an effect on incidents of violence in our country?

[Carrion] The enormous instability that has resulted from a weak government, the lack of certainty about property in rural areas, and the very sharp political clash that has surfaced in the past three years between sectors fighting over property as well as control of our political institutions. In this country, we truly have no institutions that can guarantee a peaceful solution to conflicts in society, institutions that have legitimacy and that are accepted. Here, if someone is not happy with a court sentence, the judge becomes a political adversary and his ruling therefore has no value. As a result, there is no consensus or legitimacy here.

[Solorzano] Could you mention any concrete examples of our institutions' lack of legitimacy?

[Carrion] To give you one example, the National Assembly is divided and its legitimacy diminished. The government has been weakened and enjoys no consensus because of its own errors. Our armed institutions, the Army and the Police, are viewed from a polarized perspective and do not have an adequate national consensus either. In other words, we live in a society that does not have the mechanisms to solve conflicts that are enormous, in terms of quality and quantity, as a result of our very poverty, the postwar situation, ever more acute

social problems, and the change in political regimes itself. Our society does not have adequate mechanisms to solve its problems, and I believe that all these elements drive people to take actions, including occupying land or taking land away from others, actions that are in fact political or of some other nature that can easily lead to violence.

[Solorzano] What steps do you think should be taken to develop and consolidate our institutions?

[Carrio] I think the right way is the path of a national accord [acuerdo]. There has been some criticism of this national dialogue or national accord calling it a thing between leaders. That is true: It is a thing between leaders. Nevertheless, the leaders at the top can help solve problems also, and they are obliged to be the first ones to do so.

[Solorzano] Why must there be a national understanding [entendimiento]?

[Carrion] We are speaking about constitutional reforms, for example. Reforms stemming from an agreement [acuerdo] negotiated by UNO [National Opposition Union] and the FSLN would have the effect, culturally speaking, of making the constitution a document backed by an enormous national consensus. It would therefore have a far more solid base making it possible to develop greater political stability. Second, such an accord would establish a very important precedent here and have an enormous impact on the country's political situation because it would exclude, leave out, and reduce to extremist minority positions those who seek total confrontation and promote intolerance, those who are intransigent and who support violence. However, insofar as our political leaders have been incapable of reaching such an accord—mainly because of the intransigence of the UNO leaders—the situation continues to deteriorate in the rest of society. The alternative is to have new leaders to replace those now in power in order to make way for the process that the country needs.

[Solorzano] And where does the government fit into this context?

[Carrion] We must view the government from the angle of its total lack of consensus. It must therefore reach an agreement with the rest of the political forces in the country in order to stop delaying the process. Otherwise, we shall continue to wallow in a constant state of crisis.

[Solorzano] Do you think Nicaragua's political parties suffer from a general lack of leadership?

[Carrion] I would not say there is a lack of leadership. Every political sector has fairly qualified leaders, and yet I think a large sector of Nicaraguan society is apathetic and has continually adopted a negative attitude toward politicians in general, without making any distinctions, and are disillusioned with politics in general. This remark probably includes most of society. I think this sector is lacking in leadership because it truly does not exist in any articulate way, even as a political force. The attitude of this leaderless sector is thus one of rejection of political action and politicians. This is detrimental to the national situation because there is no leadership capable of interpreting it or of incorporating it into national political action, which would contribute to a better balance and mean better results for the political action of the leaders of parties and specific political groups.

[Solorzano] Speaking of the Sandinist Front, the problem of leadership has always been challenged by a number of its members. What is your view of this situation?

[Carrion] When the issue of the Special Congress came up, one of the reasons was precisely the fact that the National Directorate, as an organ of leadership, has not been able to blend the Sandinists into a cohesive force in the new context. Some members blame the National Directorate for this lack of vision. We think we should perhaps have modified the structure of leadership and made changes in it. Inasmuch as Sandinism is far more pluralistic than it apparently was before, and since we have practically no staffers who devote themselves to political and party work full-time, it is perhaps necessary to have a broader organ of leadership that may include representatives, not only of the Sandinist Front as a formal, organic structure, but of Sandinism as a historical and social factor. These are two different things. I do not think the Sandinist Front or its organization in terms of the makeup of its organs of leadership can be confined to representing only the formal structures. It must represent the historical reality of all Sandinists, which is pluralistic, diverse, heterogeneous, and complex. In other words, yes, we do think there must be major modifications.

[Solorzano] When Nicaraguan society finds itself in difficult situations, in their public statements, the members of the national leadership give the impression that there is a kind of split in terms of thought and [party] line. For example, when Major Alvarez was killed in the LAFANISA disturbances, Major Ortega used harsh labels and leveled serious accusations against the government. In contrast, you said it would be difficult to assign blame or assess responsibilities. How do you analyze the situation?

[Carrion] In this specific instance, there were differences in perspective, even though everyone, without exception, clearly backed the strike, the demands put forward by the transport workers, and the Sandinist Front's need to support the struggle. Perhaps we are more careful than others in choosing our words because we are aware that in an explosive, high-tension situation during a strike, anything that one says can have a greater impact than one anticipated. Major Ortega leveled accusations at President Chamorro and other ministers at one point in time, but he never repeated them. Major Ortega subsequently made constant, repeated appeals to avoid violence and the use of weapons. I think that sometimes, in

the heat of a situation, we do not properly measure the effect that words can have. I also think there are communications problems within the Sandinist Front which seem to create problems that do not actually exist.

[Solorzano] Some Sandinists have said publicly that this national transport strike cost the Sandinist Front politically. In your opinion, is this a valid observation or not?

[Carrion] I would say rather that, in general, the Sandinist Front's clear support for the strike, which had broad national support, was viewed positively. It was very obvious that the Sandinist Front was the only political force that lent effective support, while the other parties and political organizations were conspicuous by their absence. On the other hand, opinions are divided about the Sandinists, about the degree of responsibility that Sandinists bore or did not bear for the more violent manifestations of the struggle. People have been left with a lack of confidence about problems with inadequate internal communication and assumptions that have not always been accurate. However, these are problems that we must resolve. I believe that whatever the case, the contradictions generated by this strike mainly lie within Sandinism itself. Furthermore, to my way of thinking, they must be resolved in the direction of specifically outlining our individual responsibilities for actively preventing the use of violent methods within the framework of the social struggle. This is a great contribution which the Sandinist Front must make, even though it is clear that we do not dominate society or even those who consider themselves to be Sandinists!

[Solorzano] Some think the transport workers' protest was thwarted in the sense that no one truly saw, for the first time, civil society's capacity for expression—which had widespread support—because of the use of violent methods. Some think the movement should have been allowed to demonstrate its civic strength and capacity for action.

[Carrion] First of all, allowing it to develop freely would not have guaranteed that acts of violence would not occur. Nor can one assume that the involvement of Sandinist groups is the only explanation for the violent methods. In addition, I believe that as a political party, the Sandinist Front, within the context of a social movement and a struggle for demands of any nature—with which we agree—must confine itself to whatever support we can give. However, we must never try to give a Sandinist stamp to the social struggle. What is more appropriate for society itself, its organizations and movements, in order for them to grow stronger and develop rather than be weakened by political polarization, is precisely for political parties, in all cases, to place themselves at the service of the leadership of a specific movement, without claiming to take over its leadership or subject the movement to party leadership. This weakens any consensus that a struggle might have.

[Solorzano] Since the very beginning of the 1980's in Central America, the phrase "civil society" has been used and is taking on even greater strength in this decade. How can one analyze that phrase in Nicaragua when we do not have the institutions that we need and when democracy is so fragile?

[Carrion] For that very reason, I think we must support the development of all organizations of civil society. It is precisely because there are no solid institutions and because there is excessive political polarization that we truly back the need for reconciliation. Those of us who support the building of a state of law must expand those spaces and try to open them up for the development of any type of group or organization that promotes the action and participation of different sectors of society. That is how we can develop coexistence, democratic practices, our capacity for negotiation, and interest in a search for consensus in society rather than among leaders alone. In other words, to try to control the organizations of civil society in a partisan way is totally counterproductive in terms of the objective of the rallying of Nicaraguan society and the very development of those organizations.

* Constitutional Reform Difficult To Achieve

94CA0018B Managua EL NUEVO DIARIO in Spanish 8 Oct 93 p 4

[Commentary by EL NUEVO DIARIO Assistant Editor Danilo Aguirre Solis]

[Text] One faction of UNO [National Opposition Union] insists on the need to call a Constituent National Assembly.

Reasons for: The entire constitution must be changed because it was written by the Sandinists for the type of society that the Sandinists were planning. The Sandinists want partial reforms because they are guaranteed a majority in the Assembly and would therefore be able to pass or vote down whatever they wish. The Constituent Assembly would bring the crisis to a boiling point and only then would solutions be forthcoming.

Reasons against: There are no limits to partial reform, which means that in practice, the two sides can change any items that they want. Reforms would have to have an extraparliamentary consensus and would therefore not be subject to the uncertainties of parliamentary approval. If something should be missing, not even combining the FSLN [Sandinist National Liberation Front] with the center group would make the 60 percent required to pass each of the reforms. Waiting for the crisis to come to a head is an act of grave lack of responsibility vis-a-vis the Nicaraguan people. Furthermore, it is politically naive to believe that such "ferment" will yield only that which is good for us politically.

All arguments aside, partial reform can be approved in February of next year, that is, if we have solved the problem of fiscal competency and other excessive powers of the Executive Branch, settled the chapter on

defense and the length of terms in accordance with the law, established the more direct relationship of the Assembly with the appointment and removal of judges, and integrated into the Constitution the Police, the Attorney General's Office for Justice, the Attorney General's Office for Human Rights, the court or chamber of the Court that handles constitutional issues, and many other reforms that are needed in order to perfect the state of law.

The approval of two-thirds of the National Assembly is needed to call a Constituent Assembly.

In order for such approval to be manifested even with the pressure of a plebiscite, an assembly must first be called. It will either be an open assembly or one called with a number of preconditions, the main one being the continuation or noncontinuation of the current Executive Branch.

In other words, to speak of a Constituent Assembly means, in terms of time, the following: a plebiscite whose planning and actual convening would carry us into the first two months of next year.

The planning and actual holding of the election for the Constituent Assembly would take us into July or August of 1994.

With or without prerequisites, an assembly that would handle normal legislation and pass a new constitution would need 18 months at the very least, working under pressure and assuming that the formation of the assembly would not involve contradictions serious enough to result in interminable debate and approval processes.

In other words, in the best of all cases, we would have a new constitution little different from what could be achieved through partial reform by the first half of 1996, by which time we will once again be caught up in the new election of our highest officials.

Without even mentioning the economic cost or the fact that in the best Nicaraguan tradition, every call for elections is virtually a call for war, in terms of time alone, we would thus be allowing the Nicaraguan crisis to go on for another three years.

This without analyzing the possible change in the Executive Branch, a kind of "technical coup d'etat" of unforeseeable national and international consequences.

What we undeniably need is partial reform, and the parties that refuse to give up fleeting diatribe in exchange for efficiency and subsequent recognition will be condemned to live in an unproductive niche while subjecting the Nicaraguan people to interminable suffering.

* Polemic Over BARRICADA Director Reported

* Freedom of Ideas Opposed

94CA0019A Managua BARRICADA in Spanish 9 Oct 93 p 9

[Article by Erick Blandon]

[Text] The Sandinist media are at the center of a storm. Being debated around them are, in essence, the freedom of flow of different currents of thought—including those, within Sandinism, that oppose the style and manner of some FSLN [Sandinist National Liberation Front] leaders—and the fear of that freedom.

Consequently, when a representative sector of the FSLN states that it does not feel its views are being reflected in BARRICADA's editorial and news policy lines, voices are raised asking for the newspaper director's head, as if the cutting off of heads today—like the cutting off of vests [chaleco], of yesterday—has at any time been the civilized form of debating ideas.

This is the topic, concerning Sandinism, that is occupying top billing in all the radio and television newscasts, in the written press, in group discussions, and in the "gossip shops" of national politics.

And it is well that the scene of this debate be moved to the floor of the Sandinist Assembly, and that the question as to whether freedom, in the Sandinist view, is valid for one sector alone or is valid for all, be discussed there, once and for all. Because underlying the proposal to oust Carlos Fernando Chamorro from BARRICADA are but the old aims of those who have long wanted to see him ousted in order to take his job.

The debate is about silencing those who believe that Sandinism must foster respect for itself by keeping its word and acting without duplicity. It is about silencing those who think that it is no longer possible to raise the flag of unity, while unity is being undermined from within. And it is about censuring those who respond to shouts and threats by offering their ideas.

The Sandinist Assembly is obligated to tackle this topic, because it is urgent that we know how committed the FSLN is to freedom among its rank and file, and because a position of tolerance must be defined within Sandinist circles that will make room for all opinions and trends, without fear of truth as expressed by others.

If it does not do so, or postpones doing it, the fear of speaking will take possession of us, and this Sandinist Assembly will have lost the opportunity to be true to itself.

* Pamphlet Defends Chamorro

94CA0019B Managua EL NUEVO DIARIO in Spanish 8 Oct 93 p 6

[Text] An anonymous "bulletin" under the name of "Blanco y Negro," that says it represents the positions of

"BARRICADA's collective," fervently defends lawyer Carlos F. Chamorro as head of that newspaper.

The unsigned article appearing in the bulletin, issued in the form of a pamphlet, also makes reference to the ample gains made by BARRICADA as a newspaper since "national interests" wiped out forever the maverick who for more than 10 years took refuge behind a masthead consisting of a barricade of paving stones.

In a clear reference to Monica Baltodano, one of the few Sandinists who publicly dissents from the policy of BARRICADA's director, the pamphlet expresses its pleasure that in the end the "critical spieler" did not get the applause she received at the outset. This would have been needed to succeed in turning her position into a party decision to "study the case."

Change of Profile and of Director

According to the pamphlet, Baltodano characterized the cited newspaper as a progovernment news medium, and argued that the "total break with the government also warranted a change in BARRICADA's profile and that, in order to achieve it, BARRICADA's director must also be changed."

In addition to some paragraphs full of modest claims such as "the best daily, the most influential, the most reliable, the most trustworthy, the newspaper with the highest credibility, the country's best newspaper," the apologetic article devotes its effort to explaining that the newspaper operates like an enterprise on a profit-oriented basis.

As a result, "...in addition to being the most influential newspaper (etc.)," BARRICADA is one of the group "of FSLN [Sandinist National Liberation Front] enterprises that generates the highest and most dependable income to the front," says the pamphlet in another paragraph.

And the article continues: "The meeting of FSLN leaders in Managua approved a resolution recommending that the National Directorate and the Sandinist Assembly review and discuss the role of the communications media owned by the organization and collectives of Sandinist comrades, in the light of our party's strategy, platform, and principles...."

Lifelong Directors

It is strange that not a single word is said in the article about newspaperman Willian Grigsby, director of the radio station "La Primerisima" who, it is said, was able to radically change the consensus that Comandante Baltodano had mustered initially in her criticism of the cited newspaper's present editorial policy.

"We cannot say that the job of director and the other jobs in this collective are lifelong for each one who occupies it. But as long as persons are efficient in a given job, they must not be removed for reasons foreign to their activity," says the article.

Panama

Assembly Appoints Chen Barria New Comptroller General

PA1011013593 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Nov 93

[From the "RPC Television News" newscast]

[Text] Just a few minutes ago, the Legislative Assembly appointed Jose de los Santos Chen Barria as the nation's new comptroller general. Chen Barria is appointed following the voting in the assembly, where he received 49 votes in favor, as opposed to the 10 votes obtained by the other candidate, Carlos Vallarino. There was only one abstention.

[Begin unidentified assembly secretary recording] Jose de los Santos Chen Barria's appointment as the nation's new comptroller general has been approved. [applause] [end recording]

Following the voting, Assembly President Arturo Vallarino swore in Jose de los Santos Chen Barria as new comptroller general.

It is assumed that the new deputy comptroller will be Luis Benjamin Rosas, based on an agreement between the Nationalist Liberal Republican Movement and the Christian Democratic Party.

Chiriqui District Attorneys Targeted for Investigation

PA1011015493 Panama City LA PRENSA in Spanish 8 Nov 93 p 1a

[Report by Ibeth Vega G.]

[Text] Acting Attorney General Jorge Ramon Valdes announced yesterday that he had ordered the start of an investigation to establish the truth behind the corruption charges made during the last few days against Chiriqui District Attorneys Pedro Pablo Huete and Arturo Paniza.

In a press communique Valdes announced that he had ordered an investigation to establish the facts behind accusations made against Huete, district attorney of the third judicial district of Chiriqui, and District Attorney Paniza after both officials were "telegraphically" charged with alleged corruption.

Huete as well as Paniza were appointed this past 2 November following the dismissal of former Chiriqui District Attorney Emilio de Leon, allegedly because the six years established by law to occupy the position had expired.

Huete, who replaced de Leon, has also been accused by former District Attorney Rodrigo Miranda of "blackmail, drug trafficking and use, sexual deviation, influence peddling, and extortion."

A news conference by former District Attorney de Leon is scheduled for today where it is believed he will answer questions related to his "dismissal" as well as disclose important issues concerning the District Attorney's Office.

Likewise, it is expected that President Guillermo Endara as well as the Legislative Assembly will discuss today the appointment or ratification of the attorney general of the Republic because Valdes has been in charge temporarily following the separation of former Attorney General Rogelio Cruz.

Valdes appointed Andres Collado Mitre, second judicial district attorney, to undertake an investigation into the accusations made against Huete. At the same time, Fourth District Attorney Dimas Guevara will investigate the corruption accusations made against Paniza.

Valdes said that the original investigation had been the responsibility of Alternate Attorney General Bolivar Davalos but that he decided to take charge of the investigations.

Argentina

Menem, Alfonsin Deny Rumors of 4 Nov Meeting

PY0911212493 Buenos Aires BUENOS AIRES HERALD in English 9 Nov 93 pp 1, 11

[Excerpt] (DYN-NA)—While President Carlos Menem and Radical leader Raul Alfonsin took pains to quash press speculation yesterday that they had staged secret talks last Thursday [4 November] to discuss possible compromises on the constitutional reform bill, other observers were privately doubting their word.

Parliamentary sources told local news agencies yesterday evening that a meeting had indeed taken place and that Alfonsin had won a number of concessions including, among other things, cancellation of the plebiscite planned for November 21, the creation of a government post of "head of cabinet," direct senatorial elections, and extensive reform in the makeup of the Supreme Court.

Although there was no official confirmation, Menem repeated his view yesterday than the plebiscite would be called off if consensus was reached with the Radicals, and sources claimed that he was seriously considering making an announcement to that effect next Monday [15 November].

However, earlier in the day, Menem had refuted claims made in city daily AMBITO FINANCIERO that the two had met, saying the last time they had seen each other was during the highly publicized visit made by Alfonsin to the clinic where Menem was recovering from major vascular surgery last month.

However, in an interview on Radio America, Menem added that "in the not too distant future we can indeed get together since the Radical movement will be more united as of November 12, after which things will become far easier," referring to the date of the internal Radical Party leadership elections.

If there were to be a meeting between the two leaders, Menem pledged it would not be secretive, saying, "such events must be public and known about by the people."

Echoing the President's statements Alfonsin's spokesman, Simon Lazara, later categorically denied the speculation saying that if it had happened "it would have been tantamount to sitting in a barrel of gunpowder and striking a match that would instantly spark an internal (Radical) party crisis." [passage omitted]

Official 'Doubtful' Mercosur Fully Operational on Time

PY0911221893 Buenos Aires BUENOS AIRES HERALD in English 9 Nov 93 p 5

[From the "Business World" column]

[Text] (NA)—Investment Undersecretary Guillermo Harteneck said yesterday that he was doubtful whether the Mercosur [Common Market of the South] Southern Cone common market would be fully operational in the allotted time, although he said that "giant steps are being taken" to bring about the regional market of some 200 million people. "Maybe we won't have a common market by the end of 1994 or beginning of 1995 with a common tariff code, however it looks as if we will have a free trade zone where tariffs between the member countries have been substantially reduced," Harteneck said.

Diplomatic Relations Established With Azerbaijan

PY0911221593 Buenos Aires BUENOS AIRES HERALD in English 9 Nov 93 p 11

[From the "Argentina in Brief" column]

[Text] (DYN)—Argentina yesterday established diplomatic relations with the Republic of Azerbaijan. Argentina recognized the new republic as being a free and independent state on March 9, 1992.

Joint Exercises Carried Out With Italian Military Group

PY1011114393 Buenos Aires LA PRENSA in Spanish 9 Nov 93 p 6

[Text] About 1,000 Army soldiers, along with Air Force personnel and Marines, yesterday began joint training exercises with a group of Italian military personnel within the framework of cooperation agreements in the defense area reached between Argentina and Italy.

The exercises are being coordinated by the 10th Mechanized Brigade staff. This brigade is headquartered in Santa Rosa, La Pampa Province, and is under the command of General Alfredo Rolando. Four helicopters from Campo de Mayo and 200 vehicles are being used in the military exercises.

Forces from the 13th Regiment of General Pico and the 3d Regiment of La Tablada, as well as from the Artillery Regiment of Junin; a group of Air Force airmen; and a group of men from the Navy Engineering Corps are also participating in the exercises.

A group of Italian Armed Forces officers, especially invited within the framework of military cooperation projects implemented by Argentina and Italy, also participated in the drill.

The exercises are being carried out near Limay Mahuida, 300 km west of Santa Rosa, and are being described as normal training operations to enhance the professional level of military personnel.

* Cavallo States Elections 'Virtual Plebiscite'

94SM0061C Buenos Aires CLARIN in Spanish 10 Oct 93 p 9

[Interview with Minister of Economy Domingo Cavallo by correspondents Maria Luisa MacKay and Marcello Bonelli; place and date not given]

[Text] [CLARIN] It is an accepted fact that the Peronist victory in the elections on 3 October was due in large part to the existing stability. The visible face of stability is that of Domingo Cavallo, but he lost in Cordoba. What is your feeling in this regard?

[Cavallo] I am feeling very good at present, because I think it is not so certain that we lost in Cordoba. In Cordoba one always loses. But it depends. I did not win, if what Kammerath (the deputy elected by the UCD [Democratic Center Union] in Cordoba, and until Friday, a member of the economic team) said Sunday night—that in addition to being faced with Angeloz, he was faced with Cavallo. On the other hand, if, as I felt throughout the campaign—and as Kammerath now maintains—he won thanks to his support of the government program, and thus the economic plan Minister Cavallo is pursuing, I would say that the sense in which I did not win is very relative. Or do I not have anything to do with the national results?

[CLARIN] What is your assessment of the electoral results?

[Cavallo] It has been made very clear that the government has the support it needed in order to continue governing for the next two years, and I believe that this has been a virtual plebiscite. The government has support, the president has support, and the economic policy has support.

[CLARIN] This was a plebiscite on the economic policy?

[Cavallo] I believe it was a plebiscite on the overall work of the government, but I am not unaware that the economic policy and its results have played an important role. This was one of the trump cards, but not the only one.

[CLARIN] What others do you identify?

[Cavallo] Good candidates, the best campaign, and, it seems to me, there were many people who thought that the government needed a clear demonstration of support, in view of the efforts that have been made to blur the image of the work it has done on matters that were not unimportant, but were overemphasized, I would say, by the media.

[CLARIN] Such as what?

[Cavallo] Well, for example, this whole issue of the alleged hooliganism on the part of the government, the "batatas" they attempted to link with the attacks on the journalists. The whole subject of corruption, and even the Supreme Court issue.

[CLARIN] Do you believe that there were some in the Justicialist movement who failed to support it in the election in Cordoba? Were there traitors?

[Cavallo] Well, in my view, De la Sota adopted a treasonable attitude. Rather than a traitor, I would say he is an unscrupulous man, as of the day of the internal election.

[CLARIN] Do you take the same view of Julio Cesar Araoz?

[Cavallo] Araoz is more understandable. I believe he was angry.

[CLARIN] Did they work against you?

[Cavallo] I do not believe that Araoz did, but De la Sota—yes. People affiliated with De la Sota were indicating that they would not vote for the Justicialists. That had no effect on the outcome, but they did indeed succeed in frightening many independents with their charges of fraud, and this was really a disgrace.

[CLARIN] How did you interpret the fact that Menem winked at German Kammerath's pursuit of his candidacy for the UCD, despite the fact that he knew he could draw votes away from the Peronists?

[Cavallo] But what did Menem's wink mean? That Menem said "go ahead, proceed"? That is what Menem says to everyone. To all those who are, shall we say, working with him. But I do not think that Menem would have done this to prevent us from winning the election, absolutely not. Menem wanted us to win in Cordoba just as much as I did.

[CLARIN] During the campaign, he was very hard on Governor Angeloz.

[Cavallo] I believe that he was much harder on me than on him. In point of fact, it was I who embraced him when we met in Marcos Juarez, and it was I who called to congratulate him after the election. At any rate, this was subsequent to much harder positions evidenced on his part.

[CLARIN] What lessons have you learned from all of this? What do you regret?

[Cavallo] The truth is that I regret nothing. Some people say I should not have come out in support of Schiaretti as I did in Cordoba. But I believe I did the right thing. For the time being, the Radical movement has lost a deputy, we have retained ours, and now Kammerath is in the picture. But beyond the annoyance he has caused me, I am certain that he will support me, to an even greater extent than certain Justicialist deputies, in some instances.

[CLARIN] But certain factors making it possible for you to run for the presidency have now disappeared.

[Cavallo] Let me ask you something in all sincerity. Do you believe that I could manage the economy during the

two remaining years of Menem's term if I were involved in the complications of planning to run as a candidate for the presidency? I have always dismissed this possibility. My future work will be an effort to ensure that in two years time, the assessment of my actions as minister of economy will be the same as it is today. Look at the polls. The people see me as the minister of economy, and they are satisfied with my work—so satisfied that I am among the leaders most favorably viewed. If, at the beginning of a new Menem government—if he is reelected, or however it happens—there is still a very positive assessment of my actions as minister, I believe there will be a political future for me, perhaps for other things. But for a much later time.

[CLARIN] Menem has sometimes said—and this has annoyed me—that Cavallo is a good technician, but not a good politician.

[Cavallo] That has never annoyed me. In my role as minister of economy, the technical factor is important, but I have also played a political role. And in politics, without a doubt, one learns from experience.

[CLARIN] Haven't the results in Cordoba and your conflict with the Supreme Court weakened your position for managing the economy?

[Cavallo] Quite the contrary. I believe that Cavallo is stronger today as minister of economy than he was 15 days ago. I am convinced of this. And this is thanks to the interpretation carried in all the media to the effect that I am not a candidate for anything, and that all of the jealousies generated hereabouts by the fact that I appeared on the list of precandidates have dissipated.

[CLARIN] What is your analysis of the fact that Erman Gonzalez, one of your enemies within the government, won thanks to the stability that is associated with you?

[Cavallo] Erman Gonzalez was not, nor is he now, my enemy.

[CLARIN] Well, you have had occasions enough for argument....

[Cavallo] That is what they say. What I say is that Erman contributed greatly to stability, and he won because of this stability. He contributed a great deal to the achievement of stability, and I have always recognized this. In addition, I believe that he is right. The ability to sing the songs of La Rioja was more useful to him than my forceful insistence and bluntness, or my sometimes excessive emphasis on the defense of principles.

[CLARIN] Are you going to take singing classes, then?

[Cavallo] No, because I am not running for any office, after all. In my opinion, when the government wins, as we have, according to what is being said, I am not very interested in whether I personally win or not. What does indeed interest me is that the government has all the necessary support for what we are doing so that we can continue to move forward.

[Box, p 9]

Cavallo on Angeloz

[CLARIN] Do you realize that Angeloz, having defeated you and the PJ in the election in Cordoba, has become a possible presidential candidate again?

[Cavallo] Quite frankly, this pleases me. If he runs as a candidate for the presidency, he will provide the world with a much better image of continuity in adherence to the economic rules of the game than the economists surrounding De la Rua could.

[CLARIN] Don't you think Angeloz would be the loser?

[Cavallo] No more than any other Radical candidate. In terms of an electoral campaign, Angeloz would be a better candidate for the Radicals than De la Rua. He is stronger and he would have a better image as a man with broad experience in government. De la Rua has only legislative experience. Where Federico Storani is concerned, I see him as a very interesting emerging candidate, but he could not have become a candidate any sooner, unless there had been a spectacular result in the Province of Buenos Aires, which obviously there was not. Another individual who is attractive to the voters is Massaccesi. He has consistently tried to win some advantage by going against the economic policy or clashing with me, but he appears to me to be an intelligent man.

[Box, p 9]

De La Sota Ostracized

[CLARIN] Do you plan to run as a candidate for the governorship of Cordoba?

Cavallo did not hesitate for even a second before answering.

[Cavallo] That has never been in my plans.

The fact is that the majority of the members thought that our chance of winning in 1995 depended on having Cavallo as the candidate, and they asked me not to close the door. Because the problem of the Justicialist movement in Cordoba is that it has a loser's complex. I do not think that should be the case.

Then it came time to discuss the possible PJ candidates in Cordoba for 1995. Cavallo said that "in addition to Schiaretti, there is Humberto Roggero, in Rio Cuarto; Oscar Gonzalez, who is to be the undersecretary of communications...."

[CLARIN] And De la Sota?

[Cavallo] As far as I am concerned, De la Sota is finished. After what he did, he will never be able to sit down with me at the same table again. When someone has committed a treacherous act as great as that De la Sota committed, he no longer exists for me. When I cease to trust an individual, I erase him from the list of people with whom I want to work.

* Duhalde's Success Due to Cavallo's Economic Plan

94SM0061B Buenos Aires CLARIN in Spanish 10 Oct 93 p 8

[Interview with Buenos Aires Governor Eduardo Duhalde by correspondent Carlos Eichelbaum; place and date not given]

[Text] There were a million more votes cast for the Peronist movement in last Sunday's election in Buenos Aires than were cast for the Radicals. And Eduardo Duhalde found himself positioned for the 1995 election race, if Carlos Menem does not have the luck to be reelected. On the other hand, the Peronists lost to the UCR [Radical Civic Union] in Cordoba, and this outcome dealt Domingo Cavallo's presidential plans a harsh blow. Both men—the governor and the minister—have analyzed the reasons for and consequences of the electoral outcome for CLARIN. Duhalde admitted that the economic plan was the basis of his victory. And Cavallo, in addition to noting that Menem wanted to win in Cordoba, expressed the certainty that there will be no 1995 for him now, and he will be in a calmer frame of mind for managing the economy.

[Eichelbaum] Governor, do you feel like the great winner in the elections last Sunday?

[Duhalde] Throughout the country the victory was, generally speaking, spectacular. Above all in the federal capital, which will have major repercussions, don't you think?

[Eichelbaum] But those close to you say that what made the difference was the result in the Province of Buenos Aires, where the PJ [Justicialist Party] won more than 1.3 million votes away from the UCR.

[Duhalde] This is what happens generally, at least with the Peronists. It is because of the large number of citizens in this province, and also because it is one that has traditionally voted for the Justicialist Party.

[Eichelbaum] Don't you find yourself in a special situation in terms of who won and who lost in this election?

[Duhalde] It is clear that this was a triumph for the national government. The differences occurred in provinces such as mine. In Santa Cruz, although it is very small, there was a truly spectacular victory, and in the capital and in Tucuman. Then there are provinces like Santa Fe and Entre Rios where although the election results were not spectacular, the victories were important because of the high level of the leading candidates who carried the opposition.

[Eichelbaum] This was not the case in Cordoba.

[Duhalde] In Cordoba, the Justicialists waged a good electoral campaign. The problem was communication. At first it seemed certain that there would be a tie or that Schiaretti would win, but later, very good electoral prospects turned into a resounding defeat.

[Eichelbaum] Wasn't Domingo Cavallo's national image damaged?

[Duhalde] Just as the election in Cordoba came out well for Angeloz, it came out badly for Cavallo. But there is a paradoxical situation here, because Cavallo's economic plan had a great deal to do with the victory throughout the country.

[Eichelbaum] There are those who say that there was a difference in the votes cast in those places where there had been a great deal of public expenditure, such as in the Province of Buenos Aires, with the special fund for the greater metropolitan area [conurbano], or in Tucuman, where the Cavallo scheme was implemented in relative terms.

[Duhalde] Obviously, social expenditure has reached its highest level in the Province of Buenos Aires. But this was possible because there is stability. Otherwise, it could not have been done.

[Eichelbaum] Concretely, after this election, does constitutional reform become more probable, with reelection of the president?

[Duhalde] I am convinced that we can seek to bring about constitutional reform and the reelection. The logic of the people indicates we can. And as far as the Radicals are concerned, their challenge questioning the timeliness of the reform was a matter of convenience, of electoral speculation.

[Eichelbaum] Do you now foresee another attitude on the part of the Radicals?

[Duhalde] I believe that there are many factors that may work together. The request for a postponement of the vote in the Senate, to which we agree, obviously reveals a much more moderate position, a much more contemplative approach than the preceding one. The feeling I have is that we are moving rapidly toward reform, and that this will begin to take shape this coming week.

[Eichelbaum] Beginning with changes in the Supreme Court?

[Duhalde] I will have to have talks about this. I will discuss it with Mario Losada, the president of the UCR, when the leading officials of the two parties meet on Wednesday.

[Eichelbaum] What about the possibility of electing a third senator to represent the minority in each province?

[Duhalde] I do not like it much. I really do not like it. I do not believe it would be a good move for society to increase the number of legislators by means of negotiation.

[Eichelbaum] And you do not like the idea of a coordinating minister, either?

[Duhalde] Thus far, the Justicialist position has been opposed to any change in the presidential system. This would have to be examined.

[Eichelbaum] The suggestion of a coordinating minister was included in the first PJ Technical Commission reform proposal.

[Duhalde] It was. For this reason, I say that we will have to see, although our position, and that of the president, as well, has been to avoid making changes in the presidential system.

[Eichelbaum] Do you think that after the PJ congress on Tuesday, during which the legislators will be called upon to vote on reform, it will be possible to corral Antonio Cafiero and Jose Octavio Bordon?

[Duhalde] I am persuaded that both will vote for the reform. In my view, a greater consensus is being sought, but in the final analysis, I think that they will support what is one of the historic positions of the Justicialist movement.

[Eichelbaum] You have already talked with Cafiero.

[Duhalde] Yes, last week.

[Eichelbaum] And did he indicate anything to you?

[Duhalde] No. He stressed his thesis of greater consensus. But in reality, this is what we are trying to achieve now.

[Eichelbaum] What about Bordon?

[Duhalde] No, I have not talked with Bordon.

[Eichelbaum] Do you plan to?

[Duhalde] Yes, I hope to talk with him this coming week.

[Eichelbaum] Has the constitutional plebiscite initiative been definitely put aside, then?

[Duhalde] No, not at all. The plebiscite is one of the tools we have while there is no consensus among the parties. If no consensus can be reached, it will be necessary to hold a plebiscite.

[Eichelbaum] Wouldn't that be risky? Forty-three percent of the votes in the election does not seem like a very high number, in terms of a certain plebiscite.

[Duhalde] I think that if it is possible to reach a consensus, it will happen. If not, it will be necessary to take the question to the people. Although, in fact, a plebiscite is not an easy matter.

[Eichelbaum] Do you believe that the popular views on reform and reelection have already been expressed in the election last Sunday?

[Duhalde] No, I believe that in general, the people think that the Constitution should be amended, and that they have a right to vote for whom they please.

[Eichelbaum] But if the rejection of the reform in the Province of Buenos Aires in 1990 is taken into account, together with the fact that in the recent campaign, Erman Gonzalez specifically set aside the issue of the reelection in the capital and the PJ in the province did so too, isn't some clear pronouncement on the matter by the people needed?

[Duhalde] That is what will certainly happen in the Constituent Assembly election.

[Eichelbaum] Does the reality in the postelectoral period require some specific time limit for achieving reform?

[Duhalde] I have not taken the trouble to make exact estimates. But I believe that everything should be defined in the course of the summer months.

[Eichelbaum] With March as the final date?

[Duhalde] Yes, something like that, give or take a few days. Although I also think that with the present Constitution, we would not even have to convoke an internal presidential election, because we could nominate more than one candidate. And so the time factor is not so urgent.

[Eichelbaum] Would you insist on a law on official party names if in fact reform does not come about?

[Duhalde] This might eventually be proposed, but no date has been set.

[Eichelbaum] But the main problem remaining with regard to bringing about reform is the time factor?

[Duhalde] Oh, yes. But I really do not see why it cannot be resolved. Because apparently, Angeloz will be the presidential candidate of the Radical movement. And there is no way he can say no to reform. What credibility would he have, just as he is about to begin his third term as governor thanks to our support of the reform of the Cordoba Constitution?

[Eichelbaum] Based on what you say, then, you are not planning to be a presidential candidate in 1995?

[Duhalde] With reform, our candidate is Carlos Menem.

[Eichelbaum] You said the other day that you hold the second most important post in the national political hierarchy.

[Duhalde] That is so. The governorship of the Province of Buenos Aires is the most important institutional post after that of the president.

[Eichelbaum] What will you be doing in 1995, then, if you do not run for the presidency?

[Duhalde] I may be a gubernatorial candidate again.

*** Elections Failed To Address Nationwide Problems**

94SM0061A Buenos Aires CLARIN in Spanish 6 Oct 93 p 20

[Editorial: "Thinking About the Country After the Elections"]

[Text] The victory won by the government party in the election Sunday undoubtedly gives it an endorsement for continuing its policies in the two remaining years of the presidential term. The analysts are currently examining the statistics in order to determine the effects on the various parties, the fate of the leading party figures, and even the scope of the mandate implicit in the vote. It could be said, roughly speaking, that priority has been given to stability over any other consideration. The voters seem to have wanted to avoid a situation in which political vacillations are reflected in the development of the monetary situation. Thus the opposition campaigns that were based on considerations of a moral nature, or warnings about the institutional risks inherent in a further concentration of power, did not make headway. The message sent at the polls is thought to be something like this: we will pursue this experiment until there are benefits or its difficulties are definitively revealed.

Thus a whole series of sectorial interests that have been affected and the lack of social protection revealed in the daily reports were not automatically translated into votes. The rough outline prevailed over the shadings. Naturally, there are other circumstances, which have to do with the advantages provided by the exercise of power (also visible in the victory of the Radicals in Cordoba), the lack of a consistent alternative other than something like stability plus one or more of the ongoing privatizations, the awfulness of certain television appearances, and the inconsistency of some candidates who did not seem capable of measuring up to the present moment—without a doubt a very special one—in the life of the country.

But what seems very significant is the fact that the basic issues were not debated during the campaign. The strident nature of the superficial polemics prevented the national problems, which at some time will have to be resolved by the current government or some other one, from becoming the subject of morally responsible and detailed discussions by competent politicians interested in the course society and the country are pursuing. In this connection, television, which generally provides fleeting images, nonetheless offered a venue for considered thought, but this was frustrated, with few exceptions, by the necessary brevity of the debate.

These problems, then, remain untouched. The policies being tested by the government with a view to bringing about change are producing consequences in various areas, which could not fail to be the case, whether they are judged good or bad. The relationship between the political center of the country and the regions is changing. The Mercosur [Common Market of the South] is establishing requirements that have not been debated in a forum to which all the citizens have had access. Poverty is moving toward the interior of the country, and many areas are becoming depopulated. There are needy sectors that do not fit into the model, and no way in which they could be reincorporated has been suggested. The structure of risk concentration and income distribution is changing. There is a widespread crisis in service in areas ranging from education and health to security, and so on and on. In an orderly society, these issues should be matters of concern to all sectors. They cannot be dealt with merely by assigning blame. Nor can they simply be regarded as the stakes in a political bidding game.

All of these problems, taken together, are linked with the concept of the kind of country we want to leave for our children. It can be said without fear of error that rarely have such speedy changes as those that have occurred among us coincided with such a poorly developed awareness, on the general level, of the destiny we would like to shape. A destiny which is, in fact, already being forged, in some instances irrevocably. On this higher level of national thinking, perhaps, it will be possible to find a way to achieve the definitive reconciliation of the people of Argentina, as well as the key to calm examination of the possible policies.

When one considers the immediate future from the point of view of a government that after four years in power has emerged victorious from an electoral battle, it is necessary to contemplate how this predominance should be reflected in its actions in the short and medium term. The proposal to amend the Constitution has been reiterated. Based on the approach adopted, it would include opening the doors likely to lead to presidential reelection. And it is precisely in this connection that it becomes absolutely essential that the government thinking be adapted to the guiding principles of our institutional code of laws.

A definitely favorable election result should provide a double motive for its protagonists to intensify their determination to back up the imposition of their actions once again with each and every one of the legal norms in effect. As the basic law of the Republic, the Constitution clearly and specifically establishes the mechanisms to be used for its own reform. Consistency with the full scope and all of the procedures of these mechanisms is necessary.

It is obvious, therefore, that in order to produce constitutional reform that will be an effective and consistent tool, there must be a high level of consensus within society about its timeliness and content. The electoral data will now make it possible to undertake the debate that could lead to the development of these conditions with greater calm and balance.

Bolivia

Minister Notes 'Coincidences' With U.S. Drug Policy

PY0911120493 La Paz PRESENCIA in Spanish 31 Oct 93 p 1

[Text] The government has found some common ground between its drug enforcement policy and the U.S. Government's proposal to lay emphasis on prevention and crop substitution, thus relegating interdiction to a secondary role.

According to Government Minister German Quiroga, the Bolivian Government's stance has "unmistakable coincidences" with the objectives set forth by the U.S. Government, which contends that the key underlying problem fostering drug trafficking is extreme poverty and market restrictions.

"In this regard we have found significant coincidence with the United States' drug enforcement policy," he stated, adding that the new U.S. approach hinges on two basic ideas.

These are domestic prevention within the U.S. drug market, and aid for producing countries to bolster crop substitution programs. A third concept, which will be phased out, pertains to border control and war on the high seas.

The Bolivian and U.S. Governments are to define in the near future the terms of new cooperation and action programs geared to combating drug production and consumption.

These bilateral negotiations will also determine the amount the U.S. Government will appropriate for cooperation programs in its budget.

Within this framework the Bolivian Government will propose that 70 percent of the financial resources contemplated in the cooperation programs be earmarked for crop substitution, and that the remaining 30 percent be allotted for interdiction. This subject, however, has not been negotiated, because the Clinton administration has not yet approved its budget.

Quiroga explained that the program proposed by the Government Ministry for fighting drug trafficking is based on two fundamental aspects.

The first is directly related to the fight against drug trafficking by forces from the Mobile Rural Patrol Unit (UMOPAR). A second program envisages controlling the illegal peddling of hazardous substances by means of operational units from the Social Defense Secretariat.

Parallel to this, the Bolivian Government intends to establish a special undersecretariat that will be in charge of implementing a policy to prevent drug addiction, alcoholism, and all those phenomena that damage society's morals.

Quiroga moreover explained that the third aspect defined by the Government Ministry for the defense of society is crop substitution. "We believe that it is of utmost importance that everything that is related to the eradication of surplus coca crops and crop substitution should come under the jurisdiction of the same agency, to develop a coherent drug enforcement policy," he stated.

Lawmakers 'Do Not Welcome' U.S. Antinarcotics Policy

PY0911164693 La Paz PRESENCIA in Spanish 30 Oct 93 p 5

[Text] Bolivian lawmakers have not welcomed the U.S. decision to place more emphasis on the repression of drug trafficking. Ernesto Machicao, leader of the MNR [Nationalist Revolutionary Movement] bloc in the Chamber of Deputies, has said that this proposal is against the Bolivian position, which has always sought to promote alternative development in its antinarcotics campaign.

Machicao, one of the specialists on the subject in Congress, regretted that the U.S. Government had not dared to change its traditional antinarcotics policy, although he noted that this country does what best suits its interests. "We do not welcome the U.S. position, and we are rather concerned about the announcement that emphasis will be placed on repression, because this will cause serious trouble for Bolivia, Peru, and Colombia," he said.

He added that the U.S. Government "should understand that interdiction does not resolve the drug problem, and that instead it creates social tension and commotion." He said, however, that the Bolivian Government should promote negotiations with Washington in a search for greater support for alternative development programs.

At a local level, Machicao said, the government should promote consensus for implementing its antinarcotics policy, which should include agreements with the Bolivian Labor Confederation and the Trade Union Confederation of Peasant Workers. After announcing that antinarcotics efforts will concentrate on the fight against drug consumption, the government of President Bill Clinton changed its mind and announced that emphasis will be put on interdiction in producing countries.

Editorial Contends U.S. Drug Policy Hinges on Interdiction

PY0911213193 La Paz LA RAZON in Spanish 30 Oct 93 p A5

[Editorial: "Interdiction Will Continue as a Centerpiece in the Fight Against Drug Trafficking"]

[Text] Based on indications and suppositions rather than official statements to that effect, one cherished the hope that the drug enforcement policy pushed by President

Bill Clinton's administration would put more emphasis on prevention on the home front than on interdiction. Thus the story that the United States would leave aside its former policy to make a U-turn in drug enforcement was woven on little more than mere speculation.

The official announcement has just been made in a clear and well-defined way, but contrary to, rather than in line with expectations. There is no doubt whatsoever that intelligence information, radars, and training to help destroy laboratories and arrest "kingpins" mean that an all-out fight against drug trafficking will be waged in producing countries with basically the same methods and systems that have been used for many years. It is labelled the traditional way of combating the peddling of illegal drugs.

The recent statement has all but rendered a longstanding decision official. The arrival of a group of trainers—many military and a few civilians—in our country confirms that Washington had been sinking its teeth into how to carry out this program for a long time. Some remarks by Lee Brown, director of the U.S. Office of National Drug Control Policy, during his address to the UN General Assembly on this subject hinted that the United States wished and even intended to combat drug addiction at home. But for some reason they dared not center their actions at the domestic level and opted for spotlighting producing countries.

This stance, which already has been put into practice, involves some degree of risk. First and foremost, results may lag far behind what is needed and therefore, rather than bringing drug addiction under control, it will increase. Second, interdiction actions and operations may have devastating effects in producing countries like ours. Turned into battlefields, they run the risk of being destroyed or nearly destroyed, as is the case of Colombia. One should bear in mind that drug trafficking gangs respond to open warfare with violence and tactics that in many ways involve people not directly linked to this illicit business; that to defend themselves and counterattack they have no qualms about resorting to all sorts of methods used by terrorism; that they have recourse to the easy trick of corrupting judges, policemen, and government officials, regardless of their rank, who happen to get in the way; that they try—experience shows quite successfully—to infiltrate the government's domain, whether into the executive or other branches of government.

A war of such proportions is frightfully dangerous for the nations that cede their territory as a battlefield. They invariably end up in a sorry state, with their institutions in a shambles, their sovereignty trampled on, their democratic system jeopardized, and their moral and civic values destroyed.

The U.S. decision, which is seen by Brown as a means of saving $200 million, is absolutely worrisome. One is caught by the fear that it may very well be an unwise decision, the consequences of which would unfortunately be borne primarily by drug-producing countries and not precisely by large consumers who are the major trade incentive for drug trafficking.

Minister Links Drug Trafficking to Economy, Poverty

PY0911154793 La Paz LA RAZON in Spanish 2 Nov 93 p A2

[Text] (ANF)—Interior Minister German Quiroga has said that drug trafficking in Bolivia is basically linked to the economy and to poverty. He added that this scourge will not be resolved by "burning excess coca plantations."

Quiroga told reporters: "It is not a question of burning (excess) coca plantations because the terrible social problem of unemployment prevails in some parts of the country."

Last week Quiroga explained that the executive branch, through its operational organizations, will gradually eradicate and replace all excess coca plantations in accordance with the alternative development program.

He announced that the national policy is to request "more international economic aid to implement the alternative development program" which involves encouraging the production of legal products in the coca regions.

He said: If coca is not grown, prohibited substances like cocaine cannot exist.

He added: "If we believe the problem is economic, we must implement an adequate policy to replace coca and to industrialize the region" where coca is produced.

Quiroga said: "Until that is achieved, the delicate problem of trafficking will continue."

He added that future bilateral talks with U.S. Embassy officials will basically involve proposals to obtain greater financial aid for the alternative development program.

He clarified that the interdiction and repression of trafficking gangs in Bolivia will continue.

Colombian, Brazilian Trafficking Involvement in Beni Viewed

PY0911211993 Santa Cruz EL MUNDO in Spanish 31 Oct 93 National Section p 3

[Article by Oscar Chavez Zambrana of Fides News Agency, ANF]

[Text] Trinidad, 30 October—Colombian and Brazilian drug traffickers, aided by Bolivians operating in the Beni jungle, have become "transporters" [embarcadores-puente] of cocaine to the main Brazilian routes and to the cocaine hydrochloride refiners in the jungle. This

follows harsh blows by the Special Antinarcotics Force [FELCN] in the Bolivian Amazon region.

Captain Gonzalo Cuellar, the UMOPAR [Mobile Police Unit For Rural Areas] commander based in Trinidad, confirmed that after the surrender of traffickers and antidrug actions such as "Operation Safe Shelter," Colombian and Brazilian drug traffickers continue to collect drugs but they have currently ceased to manufacture and refine cocaine.

According to intelligence reports from UMOPAR, which works in conjunction with Interpol and the DEA, trafficking groups operating in Beni reportedly have been detected. Cuellar said the traffickers have a well-organized structure based on a central system and a subsystem to coordinate their operations in the jungle with their "offices" in Santa Cruz.

Cuellar told ANF that UMOPAR is closely following the activities of Colombian and Brazilian gang leaders. He added that their identities have been established through documents and passports seized during recent operations.

They have been identified as "Kutitu," "Borolo," and "Pingue." They, and a black Colombian, are members of "Joselo's" gang.

Capt. Cuellar said: "There are no small operations in Beni because the traffickers are involved in loading the drugs into planes. Pilots can earn between $2,000 and $3,000 per operation."

Cuellar added that during the last six months, UMOPAR agents have seized 17 planes carrying cocaine and 3 metric tons of drugs from the gangs working for the Colombian and Brazilian cartels in the Bolivian Amazon region. He stated that the pilots working for traffickers are constantly "monitoring" UMOPAR activities and they take advantage of oversights by radar operators or bad weather.

They fly at night, after 1800, in twin-engined planes equipped with ultramodern night navigation systems that fly from Beni to Colombia in six hours.

Cuellar said the Colombian and Brazilian traffickers are involved in an underground economy worth between $2 million and $4 million every two weeks. He said these funds are used to purchase and transport the drugs and rent planes, and in communications, security, logistics, and to hire pilots.

Cuellar expressed concern over the presence of precursors previously "uncommonly" used in cocaine manufacturing. Intelligence sources and laboratory tests show that traffickers are now recycling sodium bicarbonate, acetone, and ammonia, which are considered primary precursors in the manufacture of cocaine base and cocaine hydrochloride.

He added that these "uncommon" precursors are being smuggled into the country and that it is unlikely these shipments could pass the control posts in Beni. He also said that about 8 metric tons of a liquid called "acetalina" [reference unknown] has been seized in several operations.

Foreign Minister on 'Continuity' in Relations With Chile

PY0911132093 La Paz PRESENCIA in Spanish 30 Oct 93 p 5

[Text] Diplomatic relations between Chile and Bolivia "will be treated without haste or pause," Foreign Minister Antonio Aranibar Quiroga said yesterday, in response to journalists' questions on the action that his ministry has undertaken after President Gonzalo Sanchez de Lozada's visit to Santiago.

He said that the current government will take advantage of existing opportunities to address the century-old maritime issue as well as commercial relations with Chile.

Aranibar emphasized the importance of the documents signed by the national leaders, referring to them as "historic," and mentioning those signed on 5 February 1991 and 9 July 1992. He added that the government will seek a national consensus to design a strategy with good prospects in the country's relations with Chile.

Aranibar believes that President Sanchez de Lozada's visit to Santiago has placed diplomatic relations on a different standing. "The point is to give continuity, without haste but without pause, to an effort that should obviously promote mutual knowledge and exchange," Aranibar said, adding that it is necessary to create the conditions for addressing all sides of our relations, including the maritime issue." [no opening quotation marks as published]

He explained that it is a long-term task that the government should undertake, at the same time searching for a national consensus on the strategy for recovering a seacoast. He ruled out, however, a "total consensus, which would mean total unanimity."

The point is to find a solution for addressing the maritime issue, listening to all Bolivians to reach agreement about a problem that is essential for the country.

He concluded by saying that the president's visit to Chile "was not made accidentally," and that its results are part of a plan and of the government's political objectives.

Brazil

Checks Reportedly Implicate Former Chamber President in Budget Scandal

PY0911151393 Rio de Janeiro O GLOBO in Portuguese 7 Nov 93 p 5

[Text] The discovery of three checks issued by Deputy Genebaldo Correia made out to Ibsen Pinheiro, a former Chamber of Deputies president, has startled members of

the CPI [Congressional Investigating Committee] that is investigating the budget scandal. The equivalent of an earthquake rocked Hall 13, where banks subcommittee members were working on 5 November.

Deputies and senators could not believe the documents they were reading; after all, Pinheiro is not just any deputy: He presided over the Chamber of Deputies, he led the impeachment process against former President Fernando Collor, he coordinated the regulations for the constitutional reform, and he is a candidate for the governorship of Rio Grande do Sul. His name has even been mentioned as a possible PMDB [Brazilian Democratic Movement Party] candidate to succeed Itamar Franco.

CPI Chairman Senator Jarbas Passarinho, who very seldom meets with subcommittee members, was called immediately. Passarinho met with CPI members for 40 minutes.

Passarinho, pale and sweating, repeatedly said: "No comment, no comment," [preceding quotation in English] as he left the building. He was accompanied by Deputies Benito Gama and Aloizio Mercandante.

Senator Ney Maranhao, who discovered the checks, left the hall in a hurry, looking as if he had just seen a ghost. He commented:

"I am terrified by what I have just seen. But you will not hear the news from me."

One reporter asked: "Is it about the dwarfs [the deputies involved in the scandal]?"

"Those people: We have nailed at least five of them. But today we caught a white shark, like those that appear dead on the beach."

Ney Maranhao, who was loyal to Collor until the very end, left Congress and returned two hours later. CPI members believe the senator, whose performance in the CPI was praised, went running to the Casa da Dinda [Fernando Collor's private residence].

Passarinho, without losing his calm, met behind closed doors with coordinator Roberto Magalhaes. Meanwhile, the CPI deputies have reported that the discovery could weaken the institutions, provoking speculation that the "shark" could be a person from outside Congress who has key responsibilities in another government branch.

Jarbas Passarinho met at 1900 with the banks subcommittee for the second time. They agreed not to tell the press anything because secrecy would benefit the CPI investigation, as happened with Deputy Cid Carvalho's testimony and the coordinator's exhibition of documents that were safely hidden until they were presented. Legislators from the PFL [Liberal Front Party], the PMDB, the PT [Workers Party], the PDT [Democratic Labor Party], the PSDB [Brazilian Social Democracy Party], and the PPR [Progressive Renewal Party] promised to respect a pact of silence. Pinheiro could not be found when GLOBO reporters went looking for him.

Checks Reveal 'Seven Dwarfs' Operation

PY0911171793 Rio de Janeiro O GLOBO in Portuguese 7 Nov 93 p 5

[Report by Jorge Bastos Moreno]

[Text] Brasilia—Former Chamber of Deputies President Ibsen Pinheiro (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul] received checks from the corruption scheme established in Congress by the budget mafia. The CPI [Congressional Investigating Committee] has already tracked at least three checks written by Deputy Genebaldo Correia, current PMDB leader in the Chamber of Deputies, for a total of nearly $30,000 and deposited in the accounts of the Rio Grande do Sul deputy. The three checks, made payable to Pinheiro and endorsed by him, were from the Banco Cidade and were deposited at the Federal Savings Bank [CEF] branch at the Chamber of Deputies.

There are indications, according to the bank statements received by the CPI, that these deposits were periodical. Pinheiro's participation in the scheme of the so-called "seven dwarfs," which has practically been confirmed, fell like a bomb at the CPI banks subcommittee, provoking tense subcommittee meetings with CPI Chairman Jarbas Passarinho (PPR-PA) [Progressive Renewal Party—Para].

"We have found a dead white shark, right on the beach," Senator Ney Maranhao (PPR-PE) [PPR—Pernambuco] shouted upon discovering the first of the three checks written out by Correia to Pinheiro.

The CPI received statements from 12 banks through which it has uncovered a network of operations, or the "seven dwarfs" system. The group leader, Joao Alves, was responsible for sharing out large sums of money among the main mafia leaders, who later divided it among the other participants. The system worked like this: Large amounts were deposited in Alves' accounts at the CEF branch in Congress. Smaller amounts then exited the CEF to accounts in other banks, such as Correia's account at the Banco Cidade. Finally, still smaller amounts were deposited in other accounts, such as Pinheiro's. In this case the checks were made out in his name.

These operations alone are already proof of illegal association, a crime for which all of them should be indicted. Most of the "dwarfs" had accounts in at least four banks. The Banco Cidade and Bank of Netherlands were those most commonly used. Correia's checks deposited to Pinheiro's account were from Banco Cidade. Two of the checks were for $14,000 each, and one for $2,000.

A CPI member told GLOBO that a quick reading of Pinheiro's CEF bank statements shows that the account

received periodic deposits, possibly monthly deposits, of checks varying from $8,000 to $20,000.

The documents analyzed by the banks subcommittee so far point to the irreversible involvement of at least six dwarfs: Joao Alves, Genebaldo Correia, Cid Carvalho, Jose Geraldo, Jose Carlos Vasconcellos, and Manuel Moreira.

Director Uncovers 'Scheme' to Bribe Police Leadership

PY1011133693 Rio de Janeiro O GLOBO in Portuguese 6 Nov 93 p 17

[Excerpt] Lawyer Fernando Miranda Iggnacio, son-in-law of numbers game "kingpin" Castor de Andrade, was caught red-handed the night before yesterday in the private office of the director of the General Police Department of the Interior, DGPI, while carrying an envelope containing $7,000 (1.26 million real cruzeiros) which was a tip to be delivered to DGPI Director Mario Covas. According to Delegate Mario Covas, negotiations for the attempt at bribery were carried out by Delegate Inaldo Julio Santana, cabinet chief of the Specialized General Police Department, DGPE, who is a close aid to DGPE Director Delegate Martha Mesquita Rocha, with whom he is having a love affair. All together, the scheme set up in the police leadership involves 14 civil policemen and three military policemen, of whom 11 are police delegates, one a colonel of the Military Police, and two majors in the Military Police Reserve (P-2). They will be indicted on charges of corruption and illegal association for unlawful purposes. [passage omitted]

Franco To Expand Law Punishing Government Corruption

PY1011003393 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 9 Nov 93

[Text] President Itamar Franco is worried about impunity in the country. He met today with representatives from the three branches of government and decided to regulate the law that provides for the forfeiture of the assets of government officials implicated in corrupt practices.

[Begin reporter Andrea Boni recording from Brasilia, identified by screen caption] Office of the Prosecutor General employees are the only ones who abide by the law on unjust enrichment enacted by Congress in 1992. They have to submit compulsory, updated disclosures every year. But as of today, all civil servants will have to do likewise. This decision was made by President Itamar Franco today in light of allegations of corrupt practices in the country. Concerned about this, the president convened a meeting to discuss ways to combat impunity with representatives from the three branches of government. During the meeting, it was decided that the law on unjust enrichment will be regulated through a decree. This law provides for the impoundment of assets and the suspension of political rights for 10 years for those found guilty of corruption. It applies to every civil servant, congressman, minister, and the president of the Republic.

To complete the law, President Franco will sanction a measure that will require authorities to submit a mandatory disclosure and income statement every year to both the Federal Revenue Service and the National Accounting Office. [end recording]

Presidential Spokesman Denies Plans To Move Up Elections

PY0911222093 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Nov 93

[Report by Renata Verissimo from Brasilia]

[Text] Planalto Palace has denied news published by a Brasilia newspaper about the possibility of moving up the general elections. A note released today by the presidency's Press Secretariat denies the news published by a Brasilia newspaper about studies allegedly being conducted by the Strategic Affairs Secretariat, SAE, on the current crisis. According to the article, the SAE concluded that the less traumatic solution to the crisis resulting from the budget allocations scandal would be to hold the general elections ahead of time. Considering the national Congress' lack of credibility, the SAE would recommend that the Budget Congressional Investigating Committee's work be transferred to the Federal Police and the Federal Supreme Court.

The presidency of the Republic's note states that the news is nothing but illogical talk and entirely groundless. The note also states that the SAE does not conduct studies outside its area. It adds that the news is only speculation that harms national tranquillity and thus must be repudiated.

Deputy Pinheiro Resigns as Constitutional Review Coordinator

PY1011014593 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Nov 93

[Report by Flavio Figueiredo from Congress]

[Text] Deputy Ibsen Pinheiro resigned his position as coordinator of the constitutional review's internal rules. He said he made this decision to avoid embarrassing the Brazilian Democratic Movement Party, PMDB, and delays in the review. The deputy denied involvement in the so-called budget corruption scheme. He said the three checks he received from Deputy Genebaldo Correa were to pay for a Ford F-1000 pickup truck he had sold Deputy Correa. Deputy Pinheiro attributed these charges to those who oppose the constitutional review, to vindictive members of the Collor administration, and to factions of the PMDB itself.

His decision to leave his position was reported immediately after the end of a meeting of PMDB leaders with Chamber of Deputies President Inocencio Oliveira. The congressmen decided not to interfere with his decision and reported that it was up to him to decide whether or not to remain as constitutional review coordinator. The congressmen who attended the meeting also decided not to comply with the Workers Party [PT] request for an eight-day delay in beginning the constitutional review. The congressmen want to speed up negotiations with the parties that oppose the review and still try to vote on the internal rules this week. At 1500 tomorrow, the congressmen who will coordinate the review will meet, but PT leader Vladimir Palmeira already has said he will try to block the vote.

Editorial Reviews Nation's Political Crisis

PY1011004393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 93 p A3

[Editorial from the "Notes and Information" page: "The Scope of the Crisis"]

[Text] Some figures and phrases pronounced by members of Congress, in addition to episodes that would have been amusing had the situation been different, give an idea of the scope of the crisis that some believe began with the establishment of the Budget Congressional Investigating Committee (CPI), but in truth comes from way back. The Chamber of Deputies Justice Committee has not held sessions for the past 60 days, although the roll call always registers the necessary number of congressmen to start the session. The Chamber of Deputies Finance and Tax Committee has 30 projects to discuss, 21 of which were handed to the same coordinator. Some days ago, the presidents of the two houses met, but in view of the disheartening situation merely examined the authorization to use Congress' gardens for cultural and sport events organized by federal bodies next summer... A deputy protested: "We are becoming tourists here in Congress." Another deputy, knowing his colleagues, suggests that only those who say present during votes or plenary sessions be paid their salary. In view of this situation the government leaders despair: "The government cannot continue depending only on the constitutional revision, which nobody knows when it will start. Since it seems it will not happen very soon the government will have to resort to all the tools at hand, including provisional measures." But as President Itamar Franco is specializing in editing and re-editing provisional measures, government leader Roberto Freire's comment can only refer to the creation of new taxes.

The atmosphere breathed in Brasilia, in addition to its dryness, is one of discouragement vis-a-vis the inaction of the power circles. In response to all the suggestions to speed up everything, the advocates of law raise a serious and unquestionable argument: "This or that is good but in order to do this or that, it is necessary to reform the Constitution." Since the internal regulations for the Revision Congress still have not been voted on, the "this or that" issue will not be subject to serious discussions. Meanwhile, clouds are gathering but the relative humidity is not increasing: The Finance Ministry's and Planning Ministry's figures are beginning to be leaked to journalists, that is, to Congress, and they are worrisome:

—This year, the public sector will use 17.4 percent of the GDP while in 1992 it barely used 12.24 percent of the GDP, and there will be a record increase in the payroll from $19 billion to $27.7 billion.

—Federal revenues also will increase. For optimists, however, there is a warning: It will increase from 12.24 percent of the GDP to barely 14.4 percent of the GDP. Given this situation, which is not encouraging at all, the government's leader in the Chamber of Deputies is sowing a seed that he hopes will fall on fertile ground: By mid-December the executive branch will have to make congressional approval feasible for regulations on taxes on large fortunes, a tax increase on the financial system's profits, and an increase in some tax percentages.

The crisis is not only reflected by Congress' inaction, let alone its estrangement from national reality. The executive branch is also at a standstill inasmuch as there is no one in it who can arouse enthusiasm to at least carry out the constitutional revision. There is a clear impression that the president of the Republic is not concerned about learning whether the constitutional revision will or will not be carried out. This fact is at odds with the importance the finance minister attaches to the tax reform. While the president is waiting for [Regional Integration] Minister Alexandre Costa to testify before the Federal Police and then tender his resignation if he is summoned to testify before the CPI, there is a crisis between the PSDB [Brazilian Social Democracy Party] and the presidential spokesman, actually between the PSDB and Planalto Palace. The latest remarks by PSDB President Tasso Jereissati, accusing the presidential spokesman of being at the service of plots by denying, in the name of the president, a proposal to create a "power nucleus" that was made by Senator Fernando Henrique Cardoso, represent evidence that there is a tense atmosphere in the executive branch and that the head of government, engrossed in his own problems, is unable to resolve any other problem in our country.

Observing Brazil as an outsider, there is a clear impression that, as bureaucratic jargon puts it, the government (executive and legislative branches) is simply "putting in time:" This involves work by an acting official who is just waiting for an appointed official, and who does not want to compromise himself on anything and just signs routine documents. It is expected that Congress will reach an agreement next week and decide to vote on the constitutional revision's internal rules and regulations and minimum work timetable, talking—if necessary—with the "opponents." Within the PMDB [Brazilian Democratic Movement Party] at least, Deputy Germano Rigotto is engaged in this effort while the party is struggling with an existential drama (a drama almost

identical to the one between Mr. Itamar Franco and his ministers) of finding out whether it will or will not keep the leadership posts of those PMDB members who have been mentioned as being involved in the Budget Committee's scandal. This coming week will be a decisive one.

Congress Decides to Continue Constitutional Revision

PY1011132493 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 10 Nov 93

[Text] Political party leaders yesterday decided not to stop the work on constitutional revision. They want to speed up negotiations with parties opposing the revision, and vote on internal regulations this week.

Yesterday these political leaders met and decided it would be better not to accept the PT [Workers Party] request to stop working on the revision for eight days. They preferred to maintain the meeting scheduled for 1500 this afternoon to continue the process. PT leader Vladimir Palmeira promised he will try to prevent a vote on internal regulations.

Meanwhile, Deputy Ibsen Pinheiro decided to leave his post as constitutional revision regulations coordinator. He said he had not made this decision through having been forced by moral or ethical considerations, but for political reasons. Pinheiro admitted that because his name had been mentioned in the Budget CPI [Congressional Investigating Committee], his presence as constitutional revision coordinator could have created problems for the PMDB [Brazilian Democratic Movement Party] and delayed the work process.

The PMDB proposed Deputy Jose Luiz Clero as replacement for Ibsen Pinheiro as constitutional revision regulations coordinator.

Another PMDB deputy involved in the budget corruption scheme resigned from his post. Genebaldo Correia left the party bloc leadership in the Chamber of Deputies. Correia's separation was decided during a PMDB executive committee meeting, where Correia reiterated that he was innocent.

Cuban Physician Defects; Expected To Request Asylum in Brazil

PY0911175193 Sao Paulo VEJA in Portuguese 3 Nov 93 p 35

[Text] Cuban physician Juan Carlos Carreras Vazquez, 31, arrived in Brazil as a tourist two months ago. Before leaving he told his colleagues "he wanted to visit Copacabana." Carreras, who has still not visited the Rio de Janeiro beaches, will ask the Brazilian Government for political asylum this week. He will thus become the second Cuban to seek asylum here since the two countries resumed relations. In November 1992 surgeon Amado Ramon Toledo Oquendo, 33, left a plane parked at Cumbica Airport in Sao Paulo, where it had made a technical stopover on its way to Mozambique. "The real reason for my decision was the lack of freedom in my country," said Carrera, who was never a member of the Communist Party and considers himself a liberal. Funnily enough, Carreras wears a beard, which has become the characteristic of all Cuban revolutionaries. Another of Carrera's reasons is undoubtedly the difficulties endudred by Cubans due to the economic crisis—the food shortage, long lines for everything, severely rationed energy. In his house, for example, they had to cook with coal, or even wood, due to a shortage of cooking gas.

Carreras' arrival was the result of a well-organized scheme to obtain a travel permit in Cuba. The first thing he did to this end was to resign, two years ago, from his post at the Cuban Hydrography Institute in Havana. "I would not have obtained the permit had I not done so." The reason is quite simple: The institute is in charge of mapping Cuban rivers and coastline, a job considered of national security importance. People who have access to this type of information are only allowed to travel abroad if the government has full confidence in them. Carreras then got a job in the quality control department of a shoe factory, thus doing a less important job. The fact that he changed jobs prevented his name from causing suspicion when he applied for the permit.

The next part of the plan was executed in Brazil by one of Carreras' uncles, that is, by Cuban businessman Pedro Ynterian, who has lived in Sao Paulo for the past 20 years and is a leader of the Christian Democratic Party—in exile, of course. The Cuban Government only authorizes its citizens to make a tourist trip if they have received an invitation from abroad covering all expenses. Ynterian got a Brazilian friend to send a letter to the Cuban Consulate, pretending he was a relative of Carreras and was inviting him to visit Brazil. A total of $120 had to be paid at the Consulate to cover expenses, plus another $800 for the fare—a return ticket—issued by the Cuban Airlines company. After that, Carreras had to wait another year for his request to be authorized by all Cuban Government levels involved in this decision—going from his supervisors at the shoe factory up to the Interior Ministry. Although he has relatives in Florida, Carreras intends to reside in Sao Paulo. The information on the Brazilian crisis does not worry Carreras, who said: "Compared with Cuba, this country is paradise."

Inflation Up 2,559.28 Percent During Franco's Government

PY0911193293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 93 p B3

[Article by Gleise Castro]

[Excerpt] In 12 months of Itamar Franco's government, and after four finance ministers, inflation's bull run persists, hitting a total of 2,559.28 percent by October, according to the change in the Consumer Price Index of the Economic Research Institute Foundation (FIPE).

And predictions are that several indexes will have a monthly increase of approximately 40 percent by the end of the year or the beginning of next year. In this process in which money is increasingly losing its value, the perverse logic is that very few win and many lose. [passage omitted]

Senate Approves Rolling Over States' Debt to Government

PY0911212293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Nov 93 p 1

[Article by Sandra Sato]

[Text] Brasilia—On 4 November, the Senate approved the law rolling over the states' debt to the federal government, but the federal government will sign the final contracts only when the states bring authorization from their respective legislative assemblies committing part of their revenues to the payment of their debts. Finance Ministry executive secretary Clovis Carvalho said: "The only real guarantee will be committing part of their revenues." That guarantee is one of the new law's rules. Now the Senate needs to set the limit for that commitment of revenues for the debt payment.

According to Finance Minister Fernando Henrique Cardoso, the approval of the law on rolling over the states' debt will mark a "new relationship" between the federal and state governments. The minister was just arriving at the ministry after almost six hours of questioning by the Senate when he learned that finally there will be a legal instrument to guarantee payment of the states' debt. "It was the best news," the minister told his advisers.

Even before the law's approval the federal government already had managed to make all the states pay their debts. Over the past two months the states jointly deposited approximately $200 million in the Treasury as payment for the first two installments of the debt, which will be paid in 20 years. With the law's approval, the government will collect 60 percent more because previously it was collecting only the debt's principal, and starting now it also will calculate interest and fines.

According to Clovis Carvalho, the Senate will have to set the percentage of states' revenues that will be compulsorily used to pay the debt to the federal government. Carvalho said that if the new percentages are not established, Senate Resolution No. 36 will again be in effect. This resolution establishes that 11 percent of revenues be used to pay the debt the first year, and 15 percent the second year.

Finance Minister Again Denies Preparing Economic Package

PY1011013793 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Nov 93

[Text] Finance Minister Fernando Henrique Cardoso today again denied that the government is preparing an economic package to balance the finances.

The minister participated in a roundtable discussion in Brasilia with foreign investors. He explained that the economic team is working on the reorganization of the 1994 budget, and the Brazilian problem is more social than economic:

[Begin recording] The foreign investors liked very much my explanations about the solidity of the Brazilian market and the fact that, despite political changes and political crises, the market remains unaffected because the market is currently very strong. The market trusts Brazil and the situation must continue like this. Brazil's main problem is a social one. We must create conditions to end poverty, to create more jobs, and to have a better social welfare system and better hospital assistance. Unfortunately, however, we don't even have time to solve these problems. We are either sunk in a political crisis or in finding daily solutions to financial problems. Next year, we must have a broader horizon to be able to do the fundamental thing: solve the social problem. [end recording]

Correction to Drop in Direct Investments Noted

PY0911120093

The following correction pertains to the item headlined "Drop in Direct Investments in Brazil Noted," published in the 9 November Latin America DAILY REPORT, page 33: Column one, please make subslug read: ...[Editorial from the "Notes and Information" page: "Foreign Capital's Mistrust"]... (providing subslug)

Chile

Desire To Join APEC Hampered by 'Ambiguous' U.S. Stance

PY1011113293 Santiago EL MERCURIO in Spanish 27 Oct 93 p C5

[Text] The Foreign Ministry contended yesterday that the United States holds an ambiguous position concerning the Chilean desire to join the Asia Pacific Economic Cooperation (APEC) conference.

The Foreign Ministry said that the United States is sending contradictory signs and is even supporting double standards, because while its government officials claim to have a "neutral" position and to be ready to support the consensus should it exist, it was unofficially said that said consensus would be achieved only for Mexico and Papua New Guinea, and not for Chile.

Asked about this matter, acting Foreign Minister Rodrigo Diaz Albonico expressed his optimism that "friendly" countries would support Chile's joining APEC, and that this would be achieved jointly with Mexico and Papua New Guinea.

The possible acceptance of our country as a new member could be decided at the next APEC summit, which is to be held on 17 November in Seattle, in the United States.

The United States is currently the chairman of APEC for this period, and the other member countries are Australia, Brunei, Canada, Korea, China, the Philippines, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Singapore, Thailand, and Taiwan.

Because of the importance given by our country to its projection toward the Pacific Ocean and thus to its association with the Pacific Basin, the government has conducted negotiations to join APEC. That this has not been achieved is due to the lack of consensus which, according to what has been said, is due to the initial negative positions of Australia and the United States.

According to what is known it was said in this regard that, although the Australian Government would not be opposed to consensus allowing the entry of new members, the Australian prime minister is in favor of consolidating the admission rules mechanism and requirements.

Country on Verge of 'Airline Trade War' With U.S.

PY1011015993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 10 Nov 93

[Excerpts] Chile and the United States are on the verge of an airline trade war as a result of a U.S. Government decision to restrict LAN [Chilean National Airline] and Ladeco [Chilean Airlines] flights between Santiago and Miami. The Chilean Government responded by disregarding an air transport agreement existing between the two countries. [passage omitted]

The Chilean Transport Ministry said today that in reprisal it will withdraw from Congress an air transport agreement signed between the two countries that was due for approval.

[Begin Transport Minister German Molina recording] Probably, and this is what we would like to avoid, this could lead us into an escalation of reprisals. This is why I am saying that we are studying the situation.

I would not like to make any more remarks because only recently, or just this morning, we received the notice. We have to study it, review it, and seek a possible solution to the problem through the channel of bilateral talks. [end recording]

The Chilean airlines have until tomorrow to appeal the U.S. Transportation Office's resolution, something the two Chilean airlines undoubtedly will do.

Official LAN and Ladeco reaction was awaited all afternoon. Nevertheless, no comments in this regard were made by the end of this newscast. [passage omitted]

Interior Minister Addresses UN on Fighting Drugs

PY1011013393 Santiago LA TERCERA DE LA HORA in Spanish 27 Oct 93 p 7

[Text] New York—Chilean Interior Minister Enrique Krauss yesterday at the UN General Assembly stressed the need for international cooperation in the antinarcotics fight. He also admitted that drug consumption and trafficking have increased in our country since the mid-1980's.

Speaking at the special meeting on drugs, Krauss said that international cooperation concerning judicial cooperation, exchange of information, and agreed-upon cooperation among police still is insufficient despite the bilateral agreements that have been signed.

The Chilean minister said: "We observe with concern that the desire expressed in the agreements often is not displayed in real cooperation."

According to Chile, there should be no contradiction between international cooperation and national sovereignty if the state of law and the legal authorities of each country are respected, Krauss said.

In Chile, prosperity reportedly has brought more money and more drugs as a result, the minister said. He added that neighboring a country where cocaine is produced makes his country more vulnerable to the trafficking of that drug.

Krauss said economic and social growth is the "main" instrument to face the increase in consumption and trafficking of drugs experienced in Chile since the mid-1980's.

He added that his government has faced "resolutely the fight against drugs," both at the national and international levels, although he admitted that "the problem persists and in many ways has increased."

We must "adopt measures against poverty, against the difficulties of having access to education, and the lack of expectations, which are the bases that uphold the consumption and trafficking of drugs," he said.

With that objective, "growth with equity, the cornerstone of our government's policy, is the most appropriate path for us," Krauss added.

The Chilean minister spoke in the first of the two plenary sessions of the UN General Assembly that will be dedicated this week to the problem of controlling drugs, with the participation of top-level delegations.

But the Chilean minister warned that individual efforts by the different countries "will see their chances for success very limited without true international cooperation that goes beyond mere declarations of intentions."

Thus, "more important than economic aid will be the elimination of protectionism by the industrialized countries (in detriment) to products from less-developed countries," he said.

Krauss added that international cooperation in repressing an activity he described as "the most sinister face of contemporary delinquency" is still "insufficient."

Mapuche Leader Denies Ties With Mapu Lautaro Terrorists

PY1011115893 Santiago EL MERCURIO in Spanish 28 Oct 93 p C11

[Article by Ivan Fredes Guerrero]

[Text] Temuco—Domingo Rain, leader of the Mapuche group "Aukin Wallmapu Ngulam" (All Lands Council), denied that his group is linked to the ultra-left extremist group "Mapu Lautaro." He asserted that his organization rejects the use of arms to achieve Mapuche autonomy, as has occurred in other countries.

The spokesman for this indigenous group spoke on behalf of the organization's leader Aukan Huilcaman, who is attending an international seminar in Mexico on the rights of minority ethnic groups. Rain said he was surprised that reports by intelligence organizations indicate that his group and the "Mapu Lautaro" terrorist group are linked.

According to these reports, evidence obtained during the last raids, which were conducted in various parts of Santiago after the bloody clash between police and terrorists during which eight people were killed, shows that the "Mapu Lautaro" had infiltrated the "All Lands Council," and that a representative of the terrorist group attended at least one of the council's meetings.

Domingo Rain said that the charges of possible links with the terrorist group are an attempt to discredit the Mapuche movement and show, he said, the ignorance of a large sector of Chilean society about the Mapuche people's culture.

Rain said: "Currently it is not commonly accepted that the Mapuche people can create their own policies and propose a formula for national coexistence. This is why people seek to link us to movements that have other ideologies. This also shows that some try to create a negative image of the Mapuche people in the eyes of Chilean society."

Rain bluntly denied any tie with subversive movements, and said that these movements are interested in making use of the Mapuches' everyday concerns "in light of the fact that a large number of people still do not understand our project for autonomy."

Asked whether in order to achieve this autonomy they would resort to the use of weapons, Rain answered that his group has not even considered that possibility.

Colombia

Article Examines Dilemma of Deficit Spending

PA0911173193 Santa Fe de Bogota EL TIEMPO in Spanish 4 Nov 93 p 1B

[Article by Jaime Mejia Mazuera and Jacquelin Guevara Gil]

[Text] The government is at a crossroads. Public spending is growing significantly, and cuts cannot be made unless much needed expenditures in the justice and defense sectors are sacrificed.

Experts in various fields are concerned that the state spends more than it collects. This creates additional pressure on the country's economic stability. More spending might mean higher inflation.

The government acknowledges that growth in spending has been significant. But it feels that its "hands are tied." Where can the budget be cut? That's the question being asked every day by Finance Ministry officials.

Significant growth in spending is explained by a greater transfer of funds to the regions and increased resources for the judicial system, the Armed Forces, and the National Police.

Next year, another increase in salaries for the Armed Forces and justice sector workers amount to 274 billion pesos, which consitutes 30 percent of next year's lag estimated at more than 820 billion pesos.

Discussions about spending and its near-term effect on the economy grew into a public controversy between Roberto Junguito, a member of the Bank of the Republic's Board of Directors, and Finance Minister Rudolf Hommes.

Nevertheless, it's time to patch up our differences. This week the Board of Directors and the government will have to set their goals for next year. The National Fiscal Policy Council (Confis) is expected to meet today, the Bank of the Republic's Board of Directors will meet tomorrow, and the National Council for Economic and Social Policy (Conpes) is expected to meet next Monday.

Uncontrollable Growth

According to Budget Director Santiago Herrera, it is difficult to say where spending can be cut since every item is urgent.

This the case with municipal allocations, which have grown 45 percent in 1993 and are expected to grow 56 percent in 1994. In addition, there are fiscal allotments (funds earmarked for health and education) remaining to be transfered to each department; this is expected to increase 37 percent next year.

These items cannot be cut because they are already included in the resources and jurisdiction bill recently approved by Congress.

Increased spending has become a structural economic problem. Even though the government transfers substantial resources to the regions, decisions on how to use this money are still made by the center. In other words, there is duplication of public spending in some areas.

In addition, higher than normal defense and justice spending is already planned until 1995. This explains in part why some Bank of the Republic and government forecasts have the 1995 deficit reaching 3.1 percent of the Gross National Product (GNP), which means excess spending of over 2.8 billion pesos.

Herrera thinks that kind of spending must end sometime or else the problem could become even more complicated. In any event, it is clear that this year the lag will not exceed 423 billion pesos (one point of the GNP) and is not expected to exceed 1.6 percent next year.

BUDGET DEFICIT (millions of pesos)

Sector	1993	1994	1995
Electric	233	354	636
Carbocol	86	- 31	- 31
Ecopetrol	- 63	408	- 40
Telecom	46	91	155
Medellin Metro	3	- 139	- 212
Others	74	80	11
Social Security	49	263	432
Regional and local	17	12	98
Others not included	116	12	- 6
National Coffee Fund	- 115	- 187	- 250
National Government	- 868	- 1701	- 2827
Total	- 423	- 838	- 2034
Deficit/ GNP(as a percentage of GNP)	- 1.0	- 1.6	- 3.1

Source: Bank of the Republic—DNP [National Department of Planning]—Ministry of Finance & Public Credit

* Effects of Villa Ties to Cali Cartel Viewed

94SM0053A Santa Fe de Bogota EL TIEMPO in Spanish 3 Oct 93 p 5A

[Commentary by Rafael Santos]

[Text] The scandalous revelations made by this newspaper regarding the ties between a high-ranking official of the Attorney General's Office and the Cali Cartel publicly and noisily confirm what people have been whispering: The tentacles of drug trafficking must be reaching very high up in the echelons of power. There is no other explanation for many of the strange occurrences in this long and exhausting struggle, in which repeated blows have been dealt to the middle levels, while the leaders of the business remain unscathed. The latter, judging by the disturbing connections that have been discovered, appear to be very well protected.

The fact is that the war against drug traffickers becomes considerably more difficult when they have very well-placed allies at the pinnacle of law enforcement organizations, officials who use their positions to neutralize or even hinder the actions of a state that is already weak and vulnerable enough. Proof of that is the fact that organized crime was able to plant a contact at such a high level, the responsible and sensitive position of Delegate Attorney General for the Judicial Police, occupied by Guillermo Villa Alzate. This episode, though predictable, is nonetheless disturbing and discouraging.

At any rate, this development, all things considered, can be illuminating. It explains many of the apparent difficulties and stumbling blocks that police forces have frequently run into when going after the drug kingpins. And incidentally, it partially exonerates them from some of the charges of inefficiency that are leveled against them in the battle against the cartels. When one of these cartels, in this case the one in Cali, is able not only to follow their movements but also to strangle them, to punish or have charges filed against those whose mission is to track down and prosecute the cartels, then it seems practically impossible to win, when, according to all the evidence that has now come to light, the deck is stacked against them.

It would not be fair at this point to cast a veil of suspicion over the officials who are responsible for combating drug trafficking. But what has happened with former prosecutor Villa has sounded an alarm, a wake-up call that forces us to review the existing control mechanisms to make sure that, wherever possible, official actions can enjoy some measure of security and confidentiality. Obviously, that is not easy. The corrupting power of those who run this business is so strong that it knows no limits or borders. It is no respecter of rank, either; former prosecutor Villa Alzate's rank made him a key player, with access to very sensitive information at the top level of the Attorney General's Office, information that he could turn over to anyone who was willing to pay for it.

The charges against him open up a tremendous credibility gap in the Attorney General's Office. It now becomes imperative for the institution to purge its ranks and launch a thorough housecleaning operation without delay. So what becomes of many of the investigations into allegations of abuse or improper procedure against law enforcement agencies? It is not that such irregularities could not have happened, but since the former prosecutor was able to open cases arbitrarily, they lack seriousness and impartiality. Are there any grounds for his investigations into the Search Block or any of the disciplinary proceedings he began against agents of the Antiextortion and Antikidnapping Units (UNASE)? It is

obvious that Villa was a straitjacket on the police. Regarding something that the Army is constantly complaining about, is it not also possible that the subversives are in a position to pay huge sums of money to thwart—as Villa did—any action by the military? That is precisely the damage this unfortunate episode has done.

We should not be surprised at the rot that has become apparent in some of our institutions, which are very susceptible to drug money when the alternative is the removal of those who stand in the way or do not cooperate with the drug cartels. The Public Ministry is certainly not the only such institution, and it remains to be seen how far they have gotten. But the level of infiltration that was revealed this week explains to some extent why it has been impossible to get Pablo Escobar.

Ecuador

Foreign Minister Praises German President's Views on Trade

PA0911141493 Paris AFP in Spanish 1817 GMT 8 Nov 93

[Text] Quito, 8 Nov (AFP)—Ecuadoran Foreign Minister Diego Paredes today praised Germany for trying to face the international crisis through a competitive opening rather than protectionism. The minister stated this when commenting on remarks by German President Richard von Weizsaecker who is making an official visit to Ecuador.

Paredes said that von Weizsaecker stressed the importance his country gives to Latin America and its policy of opening markets to face the crisis. According to Paredes, the German president said that "in periods of crisis, new efforts must be made to open trade. "The minister said that von Weizsaecker said that "this is not the time for protectionism but for trade and competition."

Paredes said that Germany has a correct vision of the international situation, indicating that the challenges posed by the international crisis must be faced with a spirit of competition and the opening of markets. "All of this shows us the German people's spirit to struggle," the Ecuadoran diplomat said.

The European leader's visit to Quito has led to heavy security measures to protect him.

Duran-Ballen, German President Discuss EC Banana Quota

PA0911234893 Quito Voz de los Andes in Spanish 2300 GMT 8 Nov 93

[From "The Voz Andes" newscast]

[Text] During a meeting, President Sixto Duran-Ballen and German President Richard von Weizsaecker talked today about the EC's 2-million ton quota for banana imports, in effect since July 1993. Foreign Minister Diego Paredes confirmed that the banana topic was discussed at the end of the first meeting. Paredes said that President Duran-Ballen and his German counterpart will hold two meetings in Quito but did not provide any details.

Ecuador is the world's largest banana exporter, and this activity constitutes, after oil exporting, its second largest source of income. Germany ranks first in banana consumption among Europeans, and worldwide it is second only to the United States. Both Germany and Ecuador have opposed the EC's decision to impose a quota on banana imports from Latin America to benefit its own producers. Germany has even filed a suit against the 2-million ton quota before EC courts.

Weizsaecker Offers Help Over EC Banana Policy

LD0911195093 Hamburg DPA in German 1435 GMT 9 Nov 93

[Text] Quito (DPA)—German President Richard von Weizsaecker has highlighted political and economic developments in Ecuador, and offered the Andean country the prospect of German help in the banana crisis, caused by the European Community's (EC) restrictive import policy. These subjects, touched upon in Quito yesterday during a first meeting with State President Cordovez Duran-Ballen, are also to be the focus of the second and last meeting between the two heads of state today.

Weizsaecker said Germany and Ecuador were linked by their democratic beliefs, pluralism, respect for human rights, and striving for integration. In spite of all the difficulties surrounding the reunification process, and developments in Eastern Europe, Germany would not neglect Latin America.

In view of many Latin American countries' concerns about a "fortress Europe," the federal president said in Quito that Germany will continue to support free world trade. In this connection, he called for a rapid conclusion to the Uruguay round of the General Agreement on Tariffs and Trade, without which "a lasting recovery of the world economy will not be possible." Weizsaecker also offered the prospect of German aid for the banana industry in Ecuador, a sector that was hit particularly hard by the introduction of the EC's quota regime in July. Official estimates say some 150,000 jobs in Ecuador are threatened and lost revenue is put at $200 million per annum.

Peru

Lima Department Official Referendum Results Released

PA0911193193 Lima Radio Programas del Peru Network in Spanish 1800 GMT 9 Nov 93

[From the "Newspaper of the Airwaves" newscast]

[Text] Officially, the State's new political constitution received the support of 57.07 percent of the population in Lima Department during the recent referendum.

In a public session, the electoral institution revealed that the percentage in favor of yes in the capital was 57.07 percent and 37.93 percent for no. In Lima, there were 40,787 blank votes, which represents 1.35 percent. There were 110,664 null votes in the capital, which amounts to 3.65 percent. According to the Departmental Electoral Board of Lima, the total number of votes issued in the capital was 3,031,503.

These are statements from the secretary of the Departmental Electoral Board of Lima who announced the results in accordance with the verified counting of the constitutional referendum in the capital during a public session headed by President of the Board Marco Chung Viauca.

[Begin Lima Electoral Board secretary recording] Accumulated votes in the department. Approval of the new constitution.

Does approve the new constitution: 1,730,193 votes—57.07 percent.

Does not approve the new constitution: 1,149,859 votes—37.93 percent.

Blank votes: 40,787—1.35 percent.

Votes annulled: 110,664—3.65 percent.

Total votes: 3,310,503.

Having read the final results, we declare this session closed. [end recording]

Commentator on 'Good News' on Economy

PY1011004593 Lima EXPRESO in Spanish 29 Oct 93 p A2

[From Manuel D'ornellas column: "Good News on the Economy"]

[Excerpt] Prime Minister Alfonso Bustamante announced that the October inflation rate was the lowest in 18 years, reaching 1.5 percent, and that the national economic growth in 1993 will be 8 percent (in fact, the Central Bank already was achieving an increase of 10.9 percent by October, but the sudden drop in fishing activities will be reducing this growth through 31 December).

The top attorneys' law offices in Lima are loaded with investment projects by large international companies (the stage of the new speculators has been overcome, as it always happened, with the consolidation of the stabilization process).

But almost none of these foreign companies has made a final decision: They are waiting for the results of the referendum that will take place on 31 October. Tuesday, 2 November, is "D Day" for investments in Peru, when the first national tally is known.

Truly, and despite the threatening and almost apocalyptical announcements made by those who champion the "No" vote, the economic recession we have been suffering since the final stage of the Alan Garcia government has been virtually left behind. If there are no setbacks, the effects will be felt throughout society within a year's time, or a year and a half. Meanwhile, some economic areas are visibly prospering from the new situation, such as tourism. [passage omitted]

Human Rights Commission Chairman Says 10 Students Arrested

PA0911230193 Lima Global de Television Network in Spanish 0100 GMT 7 Nov 93

[From the "Global TV News" newscast]

[Text] Congressman Roger Caceres, chairman of the CCD [Democratic Constituent Congress] Human Rights Commission, has announced that police reportedly have arrested ten students from Enrique Valle University in La Cantuta. The students reportedly are being questioned as witnesses in the case of the 10 students and a teacher who were never seen again following their arrest in July 1992.

A new report has brought the case up again to the CCD's Human Rights Commission. The relatives of 10 students from Enrique Valle University in La Cantuta denounced before the CCD's Human Rights Commission that the National Counterterrorism Directorate [Dincote] arrested the students without any cause a few days ago. Everything seems to indicate that the arrested youths were eyewitnesses in the case of 10 other students from the same university who were never seen again following their arrest in 1992.

The following students reportedly are being held at the 43d Lima Province Prosecutor General's Office: Augusto Flores Pachas; Gilbert Chopos Calvo; Cicivio Flores Medina; Pedro Aquino Cachuas; Zuly Trucu Vilches; and Pedro Canales Ruiz. Alfredo Salinas Espinosa is imprisoned at the 14th Lima Criminal Court. Carlos Samero Tinoco and Osvaldo Branes Thomas are imprisoned at the 10th Lima Province Prosecutor General's Office. Laura Veronica Costa remains imprisoned in the Dincote installations.

[Begin Caceres recording] On 8 November we will compare these names with the names of those who gave depositions regarding the incident in La Cantuta. We will check also the deposition records to determine whether this is the same case or an entirely different situation. [end recording]

* Experts, Leaders Comment on Guzman Letter

* Specialists Tapia, Valencia

94SM0069A Lima EXPRESO in Spanish 2 Oct 93 p A4

[Text] The specialist on subversive subjects, Carlos Tapia, regards as "extraordinary news" the peace accord solicited by Shining Path leader Abimael Guzman Reinoso of President Alberto Fujimori, and said that this request is the form in which, in an internal war, surrender is expressed. He said that negotiating does not mean making concessions or suspending military operations.

Tapia explained that there are two types of negotiations. The first when the two sides become convinced that neither is able to impose its will on the other. "In that case, negotiations do presuppose making concessions." The second, when one side is convinced that it is defeated and realizes that further resistance will worsen its situation. "In that case, negotiation is the road they seek for their surrender."

"That is why I believe it is necessary to negotiate, to facilitate Shining Path's surrender. If a group inside Shining Path does not accept and continues the war on their own account, then its acts lose legitimacy," he added.

Tapia said that, in his opinion, the steps to take are the following:

First, require the immediate suspension of all terrorist acts, which, furthermore, would serve to corroborate the sincerity of the request and to see whether the interlocutor—Abimael Guzman—has effective control over all of the groups and columns, that is to say, if he is a valid interlocutor.

Second, the surrender of weapons by the groups and platoons, accompanied by the signing of a statement in which they promise not to make use of armed violence.

Third, grant them the right to participate, on an individual basis, in the political life of the country.

Tapia explained, however, that surrender did not signify impunity for crimes committed, but he warned that "it would be necessary to be careful with fanatically minded persons who might want to impede the surrender of Shining Path guerrillas, saying that they should all be killed."

For his part, the ex-president of the Commission on Pacification of the former Chamber of Deputies, Alberto Valencia Cardenas, said that he has doubts about the document that Guzman sent to President Fujimori.

"I do not doubt its authenticity , but rather its practical value, as Guzman has been a prisoner for a year without talking to anyone, and his will has been broken. A man in that condition cannot sign any document," he said.

The ex-deputy of the Apra [American Popular Revolutionary Alliance] for Ayacucho told EXPRESO that he is sure that Shining Path will not lay down its weapons. "I ask myself what is the practical effect of this surrender. There is no such effect, because I can assure you that Shining Path will not put down their weapons, because that is their training and that is the way they are," he emphasized, after stating that no act of surrender should be signed with Shining Path, but rather they should be defeated, not militarily, but politically and ideologically. "To do that—he added—it is necessary to complete President Fujimori's strategy, which is the use of police and military, with civil participation."

Meanwhile, the scholar Jaime Antezana said that if a peace accord were to be signed between the government and Shining Path, the terrorist organization could only expect its destruction, which is only a matter of time, as the demoralization that the forces still fighting would suffer would be greater than that caused by the capture of their leader and founder, Abimael Guzman.

He explained that it is more likely that the more important chiefs will resist surrender, while the rank and file would consider such resistance a betrayal and would surely take refuge in the Law of Repentance.

* General Hermoza Rios

94SM0069B Lima EXPRESO in Spanish 5 Oct 93 p A4

[Text] While the letter of the terrorist leader Abimael Guzman opens the possibility for pacification of the country in the short term, the Armed Forces and the National Police will not lower their guard until they achieve the total destruction of Shining Path.

So stated yesterday the president of the Joint Command and commanding general of the Army, Nicola de Bari Hermoza Rios, who dismissed the possibility of an internal restructuring of the Central Committee of the seditious organization.

They were thinking of achieving a strategic equilibrium during the second half of 1992, but the Armed Forces undertook a general offensive," he said.

Hermoza reiterated that the letter sent by Guzman to President Alberto Fujimori will help to increase the number of subversives who will avail themselves of the Law of Repentance, and so the collapse of Shining Path will continue.

He also dismissed the likelihood that the latest attacks might be signs of a strengthening, and said that they were due more to the natural characteristics of a criminal organization on the way to extinction.

The president of the Joint Command formulated these views at Jorge Chavez airport, where he had gone to receive the commanding general of the Ecuadoran Army, Edmundo Luna Cordova, who is visiting Lima.

The senior officer of the Ecuadoran Army arrived in our capital at 1315 on a commercial flight of Aeroperu, arriving from Argentina.

* Communist Party

94SM0069C Lima EXPRESO in Spanish 6 Oct 93 p A4

[Excerpt] The Peruvian Communist Party (PCP) regards as positive President Alberto Fujimori's decision not to negotiate with terrorist chief Abimael Guzman Reinoso, but at the same time it said it was in favor of a dialogue in which the Catholic Church could serve as mediator.

The PCP, led by Renan Raffo Munoz, also said that Guzman's letter to the president, as well as subsequent events, should not be blown out of proportion and used for electoral and political purposes.

Explaining his position on a dialogue, Raffo Munoz said that "any steps that are taken to seek the country's pacification are positive and must count on the support of all sectors of society."

He said that the government's efforts should be concentrated on achieving peace and that the mediation of the Church, as an institution of unquestioned moral authority to fulfill that role, would be highly useful.

However, the Catholic Church yesterday, 5 October, dismissed any possibility of its mediating in conversations of that type, saying that responsibility now rests with the Peruvian state.

Raffo Munoz, speaking in the name of the PCP, a party linked for decades with the now defunct Soviet Union, explained that, when one speaks of dialogue, this in no way means to conciliate or compromise principles with an organization like Shining Path. "Nor does it involve giving in to its demands," he said.

Raffo warned, however, that the attitude assumed by the terrorist chief could be a tactical move to take the initiative and make Shining Path appear the organization that wants peace and the government that is rejecting it. "This is why the executive must be very careful in the position it takes in this situation. [passage omitted]

* EXPRESO Commentator

94SM0069D Lima EXPRESO in Spanish 7 Oct 93 p A2

[Text] Almost a week after the stunning announcement by President Fujimori in the hall of the United Nations making known the virtual surrender of Abimael Guzman, it is still not known whether the organization that he founded will adhere to his tacit truce or will rebel against it.

Certainly, the leaders will not be able to deny any longer that Guzman did write that letter to the chief of state, asking him as "P. Gonzalo" for a "peace accord." The videotape in which he appears shaven and without his striped prison uniform disproves any speculation as to whether the letter was forged. The calmness with which Guzman and Elena Iparraguirre appeared before the cameras belies that they might have been victims of pressure or torture.

Abimael Guzman, then, is in his right mind, in full possession of his faculties. In this state, he wrote the letter to Fujimori together with his companion who, with her quiet presence also vouches for the reading of the letter on television. The Shining Path's leaders and militants are aware of this reality and this situation. They must now decide how to react to these facts.

At this moment, Shining Path cells throughout the country must be thinking about what to do. The most radically Leninist militants will surely argue that Guzman gave in to the enticements of his captors, betraying the Communist revolution and his own "classist" political principles. These militants, from their stubborn rebelliousness, will continue to operate the "fighting machine," although less well oiled each day. Others, pragmatists, will opt for hibernation, preferring to "dismount until the weather clears" and better times arrive for their cause. But the majority, foreseeably, will take refuge in the law of Repentance.

It is a prospect that must chill the blood of those who decided to remain with Shining Path, not adhering to the virtual truce suggested by Guzman and Iparraguirre. Because, as is well known, repentance takes effect only when those who avail themselves of it turn over to the authorities precise and accurate information that leads to the apprehension of terrorists or contributes specifically to the destruction of their organization.

Recalcitrant Shining Path militants, in other words, now have to be looking over their shoulders day and night to see who might be turning them in, or is about to do so. They cannot even trust their shadows any longer. Today's subordinate or interlocutor can be the person who hands them over tomorrow.

With the legislation provided for this purpose and the tacit public surrender of Abimael Guzman and Elena Iparraguirre, the Shining Path structure is beginning to disintegrate, from top to bottom.

* Peace Council President

94SM0069E Lima EXPRESO in Spanish 5 Oct 93 p A4

[Text] The President of the Peace Council, Francisco Diez-Canseco Tavara, described as correct the position taken by President Alberto Fujimori not to accept peace negotiations with terrorist leader Abimael Guzman. On the other hand, he believed it was indispensable to leave a a door open to a dialogue, to put an end to violence in the country.

In a public declaration released yesterday, Diez-Canseco maintained that peace cannot be negotiated with those who "have no moral standing to rise to the level of the

30,000 dead who have shed their blood in mute testimony to the barbarous genocide committed by Shining Path, under the leadership of that very Abimael Guzman."

He considers it indispensable, however, to follow the path of dialogue aimed at bringing about repentance and the laying down of arms, that will end violence in our country once and for all.

Diez-Canseco, who described as essentially correct the antisubversive strategy carried out by the government, also spoke out "for joint and solidary action by all Peruvians to put an end to social contradictions, poverty, and neglect that act as the bacteriological culture of structural violence.

* Lima Archbishop

94SM0069F Lima EXPRESO in Spanish 2 Oct 93 p a4

[Text] The Archbishop of Lima, Monsignor Augusto Vargas Alzamora, spoke of the virtual surrender of Shining Path leader Abimael Guzman, describing it as a sign of hope for the total pacification of the country, and asked the other members of the terrorist band to do the same.

Upon learning of the decision of the leader of Shining Path, Vargas Alzamora said that "this is is a joy because he is one of the persons who was directing the violence."

"I only hope that we can achieve peace—he continued—and that those crazed minds who still continue to commit acts of violence will also seek peace. We must learn to do that and also learn mutual respect, because it is values that give man good sense and respect for others," he said.

Asked whether the Church would mediate if Shining Path decided to lay down its weapons, he said that "the Church is always travelling the road to peace."

Vargas Alzamora made these statements after attending a ceremony to award prizes to a number of journalists from several communications media, who participated in the competition for the Kukuli National Journalism Prize, that the Peruvian Episcopal Conference organizes annually.

On this occasion, representatives of Canal 2, Radio Santa Rosa, Antena 1, Radioprogramas and others were honored.

* Arce, MDI, Apra, AP

94SM0069G Lima EXPRESO in Spanish 2 Oct 93 p a4

[Text] President Alberto Fujimori's refusal to agree to Shining Path leader Abimael Guzman's request to negotiate a peace accord received broad support yesterday from the country's political sectors, although each spoke from a different point of view.

In the opinion of Cesar Fernandez Arce, president of the Commission of Justice of the CCD [Democratic Constituent Congress], the Executive should not negotiate with a terrorist organization for any reason, and especially not with the person directly responsible for "so much death and destruction in the country," an allusion to Guzman.

Describing as positive for Peru every effort to achieve definitive pacification, the member of Congress warned that this yearning must not cause us to forget the "atrocities" committed by Shining Path during 13 years of fratricidal war and the responsibility of Peruvian justice to punish severely those responsible.

Guzman, he said, "will first have to prove himself with acts, not with words," and he rejected any kind of conditions that the terrorist chief might propose.

The same opinion was voiced by Luz Salgado, who said that the document that was disclosed at the UN is evidence of the defeat of Shining Path by the Peruvians and of support for pacification.

Opposition sectors, for their part, supported Fujimori's reply to Guzman, except for the representative of the MDI [Left-Wing Democratic Movement], Julio Diaz Palacios, who described it as "hasty."

"I do not believe that we should close any door in the attempt to achieve pacification. For that reason, the presidential announcement should have been made here, in this country, and then used as the basis for ample debate. We should not forget that, even though we cannot place the Peruvian state on the same level as a band of terrorists, we have to recognize that our economic nd social activities are conditioned by what that organization does or does not do," he argued.

Antero Flores-Araoz (PPC [Popular Christian Party]), on the other hand, stated categorically that "one cannot negotiate" with criminals like Abimael Guzman.

One would have to be a dreamer to believe in the good intentions of Abimael Guzman, when his philosophy is death and destruction, and when the criminal acts committed under his leadership were for him reasons of pride, not of repentance or atonement."

Meanwhile, on the fringes of the so-called "maximalist" opposition—because it is outside Congress—the reaction was rather negative.

Abel Salinas (Apra [American Popular Revolutionary Alliance]) expressed his support for President Fujimori's position, but said that it was noteworthy that the chief of state chose the world forum of the UN to make the announcement. "It was not the appropriate place. I believe that this gives Guzman the international standing that he is looking for, but which he lacks. Otherwise, I agree with the president's refusal to negotiate with Shining Path. We cannot negotiate with the person who is responsible for the greatest tragedy that could have befallen Peru," he said.

Finally, Javier Alva Orlandini, of Popular Action [AP], said that the president had violated his own laws by establishing contact with prisoner 1509. He was incredulous at the president's announcement at the UN and said he was awaiting the president's return to Lima and his explanation of details concerning the document and the circumstances in which it was obtained.

*** Terrorists' Use of Minors Detailed**

*** Twelve-Year-Old Assassin**

94WR0028Z Lima EL COMERCIO in Spanish 1 Oct 93 p A16

[Article by special correspondent Jose Antonio Indacochea Alvarez]

[Text] Tingo Maria, 30 Oct—Included among the 18 terrorists introduced by the Army yesterday is a young Shining Path member who became an assassin at only 12 years of age. He was pressured by the Shining Path [SL] forces, who recruited him by force, demanding that he participate in a series of savage acts.

He is a minor identified by the initials E.O.P., and known as "Sebastian," who is now only 14 years old.

Small, only 1 meter and 30 cm tall, with the face of a child (despite the tragic life that he has had to lead from an early age), he was introduced wearing the usual striped outfit, guarded by two heavily armed Army officers.

As Army spokesmen reported, this minor took part in the murder of a campesino in the locality of Tarapampa, two years ago.

He belonged to the so-called "basic force" in the town of Agua Blanca, and in that capacity participated actively in the "people's assemblies" in the localities of Bella Alta, Inti Alto, and Rio Santa. One of his missions was to solicit food from the campesinos, to be sent to Shining Path.

The Army has accused him of the crime of terrorism, based on Decree-Law 25564, published on 20 June of last year, which applies this legal category of crime to minors.

This same law stipulates that, in cases involving adolescents aged 15 and over 14 (like "Sebastian"), the juvenile court judge must order their incarceration in special areas within the correctional establishments.

However, "Sebastian's" tragic case is not the only one. At this same introduction of the 18 terrorists there were two other minors, aged 16, who had been performing important duties within Shining Path.

One of them, identified by the initials N.R.B., alias "Watson," was the military commander of the so-called "Corvina Company" in the locality of Venenillo.

He took part in the attacks on the PNP [Peruvian National Police] bases in Progresso and those of the EP [Peruvian Army] in Nuevo San Martin. During the latter operation, they killed five soldiers, absconding with 15 FAL rifles, two pistols, five grenades, and 200 bullets.

The other minor captured is A.I.E., alias "Felix," who was serving as deputy youth delegate on the so-called "Bella Committee."

*** Ten-Year-Old Spy**

94WR0028Y Lima EL COMERCIO in Spanish 2 Oct 93 p A13

[Article by special correspondent Carlos Ramos Sanchez]

[Text] Puno, 1 Oct—A minor only 10 years of age who had been spying on the military base in Asillo, a locality of Azangaro Province, was introduced today in the National Police 12th Region of Puno, with 21 Shining Path terrorists.

The child was shown to the press with his face half covered, at the end of the introduction of Shining Path members, including two women, at a function lasting about 15 minutes, during which weapons, explosives, and subversive propaganda seized from the terrorist group were displayed.

It was reported that the minor belonged to an indoctrination school set up by SL in the community of Progreso, near Asillo.

The women introduced, Maria [illegible surname] Condori, alias "Maria" (19) and Gricelda Copa Carrion, alias "Juana" (51), were engaged in indoctrination, recruitment, and subversive propagandizing in Macusani and Pichacani-Laraqueri.

Introduced as the most blood-thirsty was Teodoro Carrizales Pacha, alias "Enrique" (48), accused of having assassinated seven officials in various localities of Macusani district. The other subversives were directly responsibilty for the deaths of 29 persons in various localities of Puno.

The captured terrorists are Viviano Condori Mamani, alias "Toro" (43); Juan Ramirez Pichini, "Vicente" (18); Beltran Moroco Mendoza, "Lucio" (24); Teodoro Carrizales Pacha, "Enrique" (48); Jose Huayta Ccajma, "Silver" (23); Tiburcio Ccoa Quispe, "David" (34); and Juan Mendoza Chipana, "Ivan" (38).

Accused of participating in indoctrination, propaganda, and logistical support operations are: Francisco Quispe Condori, alias "Felix" (49); Daniel Mamani Mamani, "Danico" (25); Ricardo Mamani Cuevas, "Ricky" (37); Leonidas Quispe Condori, "Pepe" (28); Saturnino Ccallo Bellido, "Satuco"; Felix Mamani Aroquipa, "Chino" (30); and Eleuterio Chura Quispe, "Jorge" (35).

Others accused were Augusto Tutacano Quispe, alias "Froilan" (21); Marcos Apaza Turpo, "Teodocio" (43); Maximo Flores Arhuirse, "Ernesto" (53); Manuel Checalla Chura, "Luis" (43); and Santiago Apancho Huaman, "Gallo" (45).

* Two Hundred in Huancayo

94WR0028X Lima EL COMERCIO in Spanish 5 Oct 93 p A10

[Text] Huancayo, 4 Oct—Thus far this year, approximately 200 children were reported captured by terrorists through deception or threats in Huancayo Province, and taken to the Central Jungle.

This serious revelation was made today by the Politico-Military Command of the No. 7 Security Sub-Zone (Mantaro Front), at a press conference called to introduce two minors rescued from the clutches of subversives in Satipo.

A large number of missing children have been recruited by the subversives according to one official, who remarked that the disappearance of these youngesters has been reported in the National Police Human Rights Office. Their ages range between 14 and 16 years, and most of them are students from well-to-do families. At the press conference, the official claimed that the minors are abducted while on their way to school, or doing work such as selling lollipops or candy.

The situation of the two rescued children introduced today with their faces covered is pathetic, because they were used to carry out intelligence operations.

The youngsters, aged 12 and 15, were students in the fifth grade of elementary school and first year of secondary school, respectively. They were captured by two unknown persons while playing ball with other friends in the Chilca district.

The subversives did their "job" in five days, visiting the site where the children played every day. First they invited them for soda, and then gave them money (100 soles as a "tip," they claimed). Finally, they threatened to kill their parents if they did not carry out the assignments that they would be given.

The children relate that they were ordered to go to Satipo, where they went on 29 August, so as to report before a strict deadline the location and number of campesino patrols. It was under those circumstances that they fell into the hands of the la w enforcement agents during a roundup conducted in the town of Satipo.

A military spokesman noted that the terrorists also use the method of taking the children to the jungle to work, so as to enlist them in their ranks. He said that the youngsters generally come from Huancayo, Ayachucho, Lima, and Huallaga.

The Politico-Military Command headed by EP [Peruvian Army] General David Jaime Sobrevilla indicated that it held this introduction of the two rescued youngsters to serve as a warning to parents, so that they would take better care of their children, and instruct them to avoid strangers.

The two rescued minors will be placed in their parents' custody, with the intervention of the provincial prosecutor, Dr. Patricia Rodriguez.

* Close Link of Peasants, Terrorism, Drugs Viewed

94WR0029W Lima EL COMERCIO in Spanish 2 Oct 93 p A13

[Article by special correspondent Jose Antonio Indacochea Alvarez]

[Text] Tingo Maria, 1 Oct—The close link between Shining Path [SL] and the drug traffic, the latter being the terrorist organization's main source of financing, was proven again by the Army's latest operations, making it possible to capture 18 terrorists.

Of that number, eight were engaged in controlling the entire process of cultivating, harvesting, and marketing coca leaves, as well as transporting the drugs by aircraft and on small boats.

These narcoterrorists were forcing the campesiono population, with death threats, to cultivate coca leaves for subsequent sale to the various "firms" (organizations), to be converted into basic cocaine paste [PCB], and later, into cocaine hydrochloride.

Included among those captured, who were engaged in these activities, were Rodolfo Espinoza Claudio (aged 32), alias "Zenon"; and Wilmer Vasquez Rios (22), alias "Terry."

For example, this pair was responsible for controlling the campesinos in the localities of San Pedro and Paraiso.

The others engaged in this illegal "business" who were arrested are: Antonio Illatopa Elguera (16), alias "Felix"; Marciano Diaz Lazaro (36), "Flaco"; Florencio Arevalo Gonzales (16), "Chayo"; Nilo Rojas Bautista (16), "Watson"; Lucas Lazaro Jaime (35), "Paul"; and Felix Lazaro Norena (42), "Pescado."

The latter two were also engaged in seeking "quotas" from the "traqueteros" [minor drug traffickers serving as middlemen between coca growers and domestic or foreign buyers]. The latter are members of a drug dealing organization responsible for collecting the PCB produced, which is processed by the campesinos in their settlements. They later gather it to be sold in large volumes to Colombian drug traffickers.

Some members of the law enforcement agencies in this locality reported that the SL also charges the drug traffickers for the use of the landing strips, as well as for each flight.

In the first instance, the "narcos" must pay an annual guaranteed sum of $15,000. Also, every time a small plane arrives in the zone to be loaded with drugs, they must pay $5,000. When it is only passing through (a kind of refueling stop), they must pay $3,500.

Our informants noted that the terrorists devote all this money obtained from drug traffickers to subversive activities in the zone, also sending a large portion of it to the Shining Path top echelon in Lima.

However, as the repentant SL member, "Tangomay 24," indicated a few days ago, only the principal leaders have benefited from this money.

* Expert Says SL Suffered 600 Casualties in Past Year

94WR0029X Lima EL COMERCIO in Spanish 10 Oct 93 p A14

[Text] Last year, Shining Path [SL] suffered 600 casualties and approximately 2,400 arrests. Moreover, 800 subversives, 80 percent of whom were from the MRTA [Tupac Amaru Revolutionary Movement], took advantage of the Repentance Law. This claim was made yesterday by the "Senderologist," Carlos Tapia.

He made this statement during a dissertation given at a radio station with other specialists on the issue of terrorism. Tapia maintained that the number of SL members arrested represents half of its active forces, quoting National Police statistics as sources.

The expert noted that a similar situation afflicted Shining Path between 1983 and 1984, when SL terrorism suffered casualties involving two thirds of its forces.

He remarked: "This does not mean that its defeat was closer than it is now, because at that time SL was not socially isolated."

* Official Announces 3,200 'Repentants'

94WR0029Y Lima LA REPUBLICA in Spanish 8 Oct 93 p 9

[Text] Pucallpa, 7 Oct—The chairman of the CCD [Democratic Constituent Congress] Foreign Relations Committee, Victor Joy Way, revealed here that, to date, approximately 3,200 terrorists have taken advantage of the Repentance Law. He claimed this as evidence of the country's progress toward total pacification.

He added that this proves that many subversives are giving up their criminal venture and that, finally, the way is being prepared for a climate of peace required by the country to begin maximizing its development.

He reported that, since the virtual surrender of Abimael Guzman, about 30 of his followers in the Ucayali region have availed themselves of the aforementioned law. He predicted that, as this information reaches the mountain area, where many Shining Path [SL] members have taken refuge, the response to the appeal for laying down their weapons will be greater.

"These are the first results," he remarked, upon arriving in Pucallpa with the congresswoman, Martha Chavez, to explain to the population the scope of the draft Constitution to be put to a referendum on 31 October.

When asked about the number of Shining Path members who have gone abroad, as reported by the prosecutor for terrorism cases, Daniel Espichan, the congressman claimed not to know the exact figure. Nevertheless, he indicated that these are "exceptional cases."

He termed it paradoxical that, under the previous governments, the authorities also captured 3,200 terrorists, but that they were released for lack of evidence.

He stressed that, thus far in the current government administration, over 5,300 subversives have been arrested, and more than 250 have been sentenced to life imprisonment.

During their stay in this town, Joy Way and Martha Chavez visited the No. 1 market in the shanty town of Micaela Bastidas, and the No. 2 market in Pucallpa center, where they exchanged views with the merchants regarding the scope of the draft Constitution.

The chairman of the CCD's inspection committee, for her part, assured the merchants that the Constitution approved by the Congress promotes national and foreign investment, and hence will generate thousands of jobs.

She maintained: "This is the most direct and most forceful way of fighting poverty."

She also observed that the draft Constitution gives explicit recognition to the promotion and development of the Amazon Region, as well as to its right to share in the wealth through license fees.

Finally, she remarked that it consolidates the country's pacification and provides the foundation for economic reforms, guaranteeing all social rights, including free education and access to health.

* Disaffected Ashaninka on Life With Terrorists

94WR0029Z Lima LA REPUBLICA in Spanish 14 Oct 93 p 10

[Text] Poyeni, Peru, 12 Oct (AFP)—Overlooking the Tambo River, whose muddy waters descending from the Andes head northward from this locality, toward the Amazon, there is a town. Its name is Poyeni, but since 1990 its inhabitants, Ashaninka Indians, have called it "the border."

In fact, on the other side of the river, so near and yet impenetrable, the "liberated red zone" of the Peruvian jungle begins. It is one of the territories conquered by the Maoists of Shining Path [SL], who have organized their "people's republic of Peru in formation."

Since 1990, the year when the "conquest" ended, there have been few who could leave, so as to testify. Javier Mendoza, a 28-year-old campesino and father of six children, is one of them.

After "three years spent with the subversives," Mendoza crossed the "border" on a raft on 1 March of this year, taking advantage of the absence of armed contingents in the area. He took refuge in Poyeni with 127 other members of the community of San Miguel de Otica, becoming their chief.

Mendoza told the AFP correspondent that about a dozen Shining Path members, at the most, penetrated San Miguel in 1990. There was no violence when the community of approximately 200 inhabitants was occupied. Javier Mendoza explains: "They pleased us with fine talk, making promises that we believed." He describes himself as a "repentant" person rather than an "escapee."

The Chiefs and the Masses

However, he promptly adds: "They deceived us. In theory, everything is very good but, in practice, there is no progress. The chiefs do the opposite of what they preach."

As occurred in the entire red zone, the San Miguel population was organized into "open people's committees." Each committee is headed by five representatives named by "the party." They devote most of the time at the meetings to the "struggle between the two lines" and to the "rectification campaigns." Javier was one of them.

The "masses," that is, nearly all the others, are engaged in agriculture. Those excused from that work, because they are too weak to go to the farms, are assigned to the manufacture of homemade weapons or to the weaving of "cushmas," the traditional Ashaninka robes.

The agricultural work is done collectively, on land that now belongs exclusively to the "party." According to Javier Mendoza, coca is not grown on it. Manuel Leon, administrator of the municipality of Rio Tambo, confirms this report.

However, according to Javier, the Maoists insist on diversification of crops (manioc, bananas, avocados, rice, beans, legumes, and green vegetables) and the development of livestock raising. Despite this, malnutrition is one of the principal plagues in the "red zone." Dr. Oscar Novoa, director of the Satipo general hospital, remarks that all the refugees show serious symptoms of undernourishment.

Javier Mendoza charges: "It is the party that distributes. Some of the provisions go to the combatants; another portion is exported, we do not know where. The chiefs serve themselves generously, and nothing is left for the others."

According to Dr. Novoa, "The health situation is catastrophic in the red zone." The diseases afflicting the region are causing havoc there; and all the more because, for a long time, based on security reasons, the PCP [Peruvian Communist Party]-SL has imposed on the population a life in the middle of the jungle, exposed to constant dampness.

Furthermore, the shortage of medicines is serious among the guerrilla fighters, even though they have multiplied their attacks on medical centers. Javier recalls: "They had to be taught how to use the forest herbs."

Tunnels in the Hills

The San Miguel refugees claim that S)but does not apply corporal punishment in its "territories." Capital punishment is applied relentlessly to those guilty of "crimes" considered particularly serious: rape, opposition to the party, or attempts to join the enemy. When asked about the number of victims, Javier confined himself to replying: "They did not kill many."

"Security" is one of the main concerns of the Maoists. They dug tunnels in the hills so that the people could hide when small planes flew over the area. Around the villages they dug caves and trenches, and the trails are infested with primitive traps.

And, of course, they recruit troops. The refugees claim: "They enlist young boys starting at age 11." The Shining Path forces' weapons are rudimentary: a few firearms, and mainly machetes, bows and arrows, and javelins made of carved wood.

Javier Mendoza comments: "Their real forces are the Ashaninka combatants that they recruit: extraordinary warriors." Some of them, he claims, may have been sent to the Andes to support the Shining Path columns operating there.

Uruguay

Brazil's Lula To Propose Extension of Mercosur Timetable

PY0911142993 Madrid EFE in Spanish 0001 GMT 5 Nov 93

[Text] Montevideo, 5 Nov (EFE)—Brazilian presidential candidate Luis Inacio "Lula" Da Silva said today in Montevideo that, if elected, he will recommend to the presidents of Argentina, Paraguay and Uruguay stretching the Mercosur [Common Market of the South] timetable because it is very short.

Lula described the foreign debt of Latin American countries as an issue that must be discussed politically. He wants government leaders to form a front against the payment of the foreign debt.

As for the Brazilian military, Lula said he does not fear a reaction from them if the left assumes power.

At the end of a two-day visit to Uruguay in response to an invitation by the "Broad Front" leftist party coalition, Lula said the Treaty of Asuncion, which foresees the integration of the four Mercosur countries by January 1995, is too hasty.

He added he had no idea what the new timetable should be, but he insisted that Mercosur "will not be a reality by 1995."

Lula stated: "This project cannot fail, and so I believe we should be more prudent. I also believe the societies of the four Mercosur member countries should debate the issue because right now Mercosur has become an issue of debate among business groups."

The Workers Party (PT) leader told the local press that he differs 99 percent with Uruguayan President Luis Alberto Lacalle's ideologies, but added that his proposals for Brazil "are very similar" to those supported by former Uruguayan President Julio Maria Sanguinetti.

Lula, 48, stated that he shares the ideals upheld by Uruguay's Broad Front, adding that Sanguinetti "upholds positions on Mercosur, neoliberalism, and social policies that our continent needs and which are very close to those ideals we defend."

He said that he does not consider himself a radical, adding that to be a leftist one need not necessarily be a Marxist, a radical, or a sectarian.

Lula met privately with Lacalle, with whom he discussed Mercosur; and with Sanguinetti, whom he described as having "extensive knowledge of Latin American problems."

Before returning to his country, Lula met with Montevideo Mayor Tabare Vazquez, the first leftist mayor in the history of Uruguay. Lula described Vazquez as a "well-intentioned progressive comrade."

Regarding the foreign debt issue, Lula stated: "We do not have to negotiate with bankers. We must negotiate with government leaders to establish a different international economic order, a different policy of distribution, and a new development model."

He said he refuses to "fly solo" on the foreign debt issue.

Lula stated: "I believe the foreign debt should not be paid because of a social justice question. Just how we will handle this is a very important, very serious, and very delicate issue. It is not a question of merely stating we are not going to pay, but of knowing if we are able to do it."

He said he has no ties with the military but admitted that he has made some personal contacts.

He added that it will be up to the PT to decide whether to negotiate with the military, who have their role specified in the Constitution.

Lula concluded: "We must take the initiative of meeting the military because they are an important Brazilian institution."

Venezuela

Roundup of Economic Developments 9 Nov

PA0911230893

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments in the Latin American media through 9 November. Source is given in parentheses following each item.

The Federal District Governor's Office delivered loans for industrial development in several areas that range from 250,000 to 500,000 bolivares to start small businesses. The 42 loans will be invested in shoe repair shops, car repair facilities, and others. (Caracas Venezolana de Television Network in Spanish 1550 GMT 3 Nov 93)

Gustavo Roosen, Venezuelan Petroleum Inc. president, after being questioned by the Chamber of Deputies Energy and Mines Commission, said that the price of gasoline could reach 11 bolivares a liter by 1996. Estimates for the year 2000 indicate that the Venezuelan oil industry could place about 3.6-million barrels a day on the market with a price ranging between $17 to $19 a barrel. (Caracas Venezolana de Television Network in Spanish 1550 GMT 4 Nov 93)

Local newspapers have blamed the value-added tax and increased utility rates for a 5-percent increase in the inflation rate, the highest increase over the past two years. The consumer price index rose 1.9 percent in October compared to September, representing an accumulated inflation rate of 35.9 percent during 1993, the highest since 1988. (Hamburg DPA in Spanish 1622 GMT 4 Nov 93)

During October foreign investments fell 80.5 percent in their monthly levels when they reached only $6.4 million. The total amount reached so far in 1993 is $225.865 million. Experts blame the drop over uncertainty in the election process for president and legislators scheduled for 5 December plus recent car bombs. The Netherlands leads investor countries with $94.2 million in 1993, followed by the United States with $30.4 million; Bermuda, $21 million; Spain, $14.8 million; Panama, $17.6 million; and Switzerland, $12.1 million. (Paris AFP in Spanish 1847 GMT 5 Nov 93)